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# West Europe Report



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8 February 1985

## WEST EUROPE REPORT

### CONTENTS

#### ARMS CONTROL

##### SWEDEN

- Paper Comments on Prospects for Central Europe Corridor  
(Editorial; DAGENS NYHETER, 23 Dec 84)..... 1

#### POLITICAL

##### EUROPEAN AFFAIRS

- 'Alternative' Arms Control, Green Movements Losing Momentum  
(Anders Mellbourn; DAGENS NYHETER, 23 Dec 84)..... 3

##### CYPRUS

- Permissible Limits of Concessions to Turkish Side  
(Nikos Iakovidis; I SIMERINI, 8 Dec 84)..... 8

- Briefs  
Soviet Delegate's Visit 11

##### FRANCE

- Mitterrand Government Status, Accomplishments at Mid-Point  
(Jean-Marie Colombani; LE MONDE, 3-5 Jan 85)..... 12

##### GREECE

- KKE Florakis Interview on Domestic, Foreign Affairs  
(Kharilaos Florakis Interview; TA NEA, 9, 10 Dec 84)..... 20

- Karamanlis Issue Seen Dividing Troika  
(MESIMVRINI, 12 Dec 84)..... 32

Contradictory Tone of National Politics Rapped (I VRADYNI TIS KYRIAKIS, 16 Dec 84).....	34
Boutos Dismissal Arouses Surprises, Comments (Various sources, various dates).....	36
Boutos Quoted on ND-PASOK Relations	
Boutos Replaced	
Evert Statement	
'Boutos Affair' Settled	
Mitsotakis Statements	
Briefs	
Kyrkos Leader of KKE (Int.)	40
Early Elections Predicted	40
'Excellent' Relations With Syria	40

#### NORWAY

Nonsocialists Enjoy Slight Lead as Election Campaign Starts (AFTENPOSTEN, 8, 12 Jan 85; ARBEIDERBLADET, 29, 31 Dec 84)..	41
Voter Concerns Polled, by Henry Valen, Ted Hanisch	
Socialist-Left Party's Platform, by Terje Svabo	
Gro Harlem Brundtland on Campaign, by Magne Bjornerud	
Center Party Rejects Progressives' Role, by Nils Ottar Ask	
Poll: Slight Nonsocialist Lead, by Bjorn Talen	
Conservatives, Labor Party See Youth as Major Vote Target (Ivar Leveraas, Fridtjov Clemet Interview; AFTENPOSTEN, 19 Jan 85).....	56
Paper Views Setback for Labor Party in Latest Poll (Editorial; AFTENPOSTEN, 21 Jan 85).....	59

#### SWEDEN

Palme, Not Conservatives, Hurting Neutrality Credibility (Editorial; SVENSKA DAGBLADET, 19 Dec 84).....	61
Party Congress Occasions Debate on VPK Role in Future (DAGENS NYHETER, various dates; SVENSKA DAGBLADET, 23, 31 Dec 84).....	63
Party's Stagnation Analyzed, by Ake Ekdahl	
Hermansson Defends Party Leadership, by C. H. Hermansson	
Leadership Attacked in Party Organ, by Ake Ekdahl	
Conservative Paper on Party Revolt, Editorial	
Only Party Without Women's Organization, by Hans O. Alfredsson	
Party Ideologist Authors Book, by Daniel Tarschys	

## MILITARY

### DENMARK

- Officer Cites Shortcomings in Planning, Materiel  
(Jens Jorn Graabaek; AKTUEL, 24 Nov 84)..... 75
- Conservative MP Ole Bernt Henriksen To Head Home Guard  
(BERLINGSKE TIDENDE, 27 Nov 84; AKTUEL, 29 Nov 84)..... 77
- Named by Defense Minister, by Svend Bie  
SDP Newspaper Comments, Editorial

### FINLAND

- Air Force Contemplates Means To Continue Domestic Plane Industry  
(Jukka Knuuti; UUSI SUOMI, 18 Dec 84)..... 79
- Air Force Getting Additional MIG-21 All Weather Fighters  
(HELSINGIN SANOMAT, 22 Dec 84)..... 81
- SKDL Backs Convening Defense Commission  
(HUFVUDSTADSBLADET, 7 Jan 85)..... 83
- Coastal Artillery Force To Toughen Surveillance Against Subs  
(Jukka Knuuti; UUSI SUOMI, 16 Dec 84)..... 84

### GREECE

- Armed Forces Reshuffle; Need for Political Calm Seen  
(I KATHIMERINI, 22 Dec 84)..... 91
- ND Protests Reported Marxist Influence in Armed Forces  
(I KATHIMERINI, 19 Jan 85)..... 93

### SWEDEN

- Bildt Attacks Palme for Neutrality Support Statement  
(Carl Bildt; SVENSKA DAGBLADET, 19 Dec 84)..... 95
- Weakening of Defense Forces Hurts Fellow Nordics  
(Axel Waldemarson; DAGENS NYHETER, 20 Dec 84)..... 98
- Paper Discusses Debate on Security Policy  
(Editorial; DAGENS NYHETER, 21 Dec 84)..... 101

## ECONOMIC

### EUROPEAN AFFAIRS

- Economies of Nordic Countries Expected To Do Well in 1985  
(David G. Hotton; HUFVUDSTADSBLADET, 7 Jan 85).....103

### FRANCE

- Industry Minister Cresson on Modernization Goals  
(Edith Cresson; LE MONDE, 25 Dec 84).....107

### GREECE

- 'Erroneous' Policies Seen Fostering Parallel Economy  
(Editorial; I KATHIMERINI, 20-21 Jan 85).....110

### SWEDEN

- Devaluation, Strong Dollar Behind Industry Export Surge  
(WIRTSCHAFTSWOCHE, 7 Dec 84).....112

### TURKEY

- Prospects for 1985 Industrial Performance Assessed  
(Editorial; DUNYA, 2 Jan 85).....116
- Parameters Set for Resource Use Support Fund  
(DUNYA, 2 Jan 85).....118
- Assessment of New VAT, Impact on Investments  
(Yurdakul Alpay; DUNYA, 7 Jan 85).....121

## ENERGY

### GREECE

- Energy Consumption Rises; No Purchases Envisioned  
(I KATHIMERINI, 16 Jan 85).....125

- Energy Savings Financed Through EEC Assistance  
(I KATHIMERINI, 19 Jan 85).....127

- Briefs  
Search for Energy Sources 129

### TURKEY

- Keban Revenue Bonds Put on Public Sale  
(CUMHURIYET, 7 Jan 85).....130

ARMS CONTROL

SWEDEN

PAPER COMMENTS ON PROSPECTS FOR CENTRAL EUROPE CORRIDOR

Stockholm DAGENS NYHETER in Swedish 23 Dec 84 p 2

[Editorial: "With a View to the Corridor"]

[Text] The fewer weapons at the border, the better! Among the confidence-inspiring measures, a limiting of the arsenals along the intersecting lines between the power blocs, the iron curtain, should stand out as an obvious goal. From that perspective no one could very well find anything strange in the fact that the Swedish government has pursued and is pursuing the issue of a nuclear-free corridor in central Europe.

What Sweden is trying to proceed with is the idea, which alongside the concept of "joint security" was most noted by the Palme Commission's proposal in the summer of 1982. A working group within the Foreign Ministry has--as revealed in a press report--among other things examined the replies to the note about the matter which Sweden circulated for comment at the end of that same year.

All the governments participating in the ESK [European Security and Cooperation] process for security and cooperation in Europe were asked for their reaction. Based on what has transpired about the replies, the group's general analysis seems reasonable on the whole, although Foreign Ministry officials have naturally made an effort to include as many positive elements as possible in the debate.

When considering how the defense systems of the East and West have developed after World War II, the parties, unfortunately, have not kept soldiers and weapons away from the sensitive border between them. For the FRG, it has even seemed natural to move up emergency preparedness and defense installations as far as possible in order to show that "the entire country is to be defended" in case of war. The corresponding reasoning is likely to have been heard on the other side.

In the West, at least, we see signs of a certain reexamination. This is taking place under the pressure of peace and antinuclear movements and out of concern about NATO's "dual-track decision" and the capsized negotiations about nuclear weapons in Europe.

In this connection there is evidence behind the wording of the Foreign Ministry report that a number of security policy experts, independent debaters and major political parties (primarily Social Democratic) have expressed their

support for the corridor proposal. Within NATO there is considerable discussion and planning for becoming less dependent on nuclear weapons in a war in Europe. To that extent the corridor proposal turned out to have come at the right time!

The question is then how to remove, to begin with, the nuclear weapons located at the very forefront of the line. The Foreign Ministry group maintains that it would be of particular confidence-inspiring value if a corridor free from so-called battlefield nuclear weapons were realized through an agreement between the military alliances. Others, who view the issue as a disarmament measure, warn against negotiations in particular, with their requirements for controls and "on-site" inspections, things which could take eternities to implement.

It is somewhat ironic that the Palme Commission's proposal--and Sweden's probing--has obtained widespread support only in the East, which even wants to double the zone to 300 kilometers on each side of the border. It is known that the Soviet Union has gradually increased its battlefield strength of nuclear weapons. It is difficult to know at this moment what it looks like on the Eastern side. On the other hand, we know that NATO--which has strong objections to the corridor proposal--in effect is creating a nuclear-free corridor on its side by removing tactical nuclear weapons, moving them back or replacing them with other weapons.

The Foreign Ministry working group is said to emphasize the value of a unilateral pull-back of battlefield nuclear weapons. Then it seems a little niggardly not to say anything appreciative about NATO's program.

This stinginess is perhaps not very noticeable, since people in the Foreign Ministry simultaneously make unambiguously negative pronouncements about the techniques and doctrines which are being offered and adopted; as usual, we know only what is happening on the NATO side.

In the United States, in particular, there is apparently overconfidence as to what military technology will be able to accomplish. Western conceptions that in the future it will be possible to use deep strikes in order to keep potential Soviet Army hordes from pouring in are frightening and need to be penetrated with great seriousness. But in speaking of "more offensively aimed technology and doctrine in the conventional area"--something which presently could only refer to NATO--the Foreign Ministry group risks giving a wrong picture of NATO's motives, which after all are improved defense. The Swedes are on firmer ground with their warning that battlefield nuclear weapons are being replaced by other, modern, longer-range nuclear weapon systems.

If Sweden is to gain more response for its efforts, we must perhaps aim both criticism and encouragement toward both sides. Otherwise the corridor plan is unlikely to have much of a future after ESK's follow-up meeting in Vienna in 1986.

11949  
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POLITICAL

EUROPEAN AFFAIRS

'ALTERNATIVE' ARMS CONTROL, GREEN MOVEMENTS LOSING MOMENTUM

Stockholm DAGENS NYHETER in Swedish 23 Dec 84 p 8

[Commentary by Anders Mellbourn: "Problems for Alternative Movement"]

[Text] What has happened to the alternative movements in Sweden?

Why did the peace movement succeed in gathering only a few thousand demonstrators on UN Day? Why are so few protests against nuclear power being heard today?

Those questions are discussed in Sunday's "Insight."

The year 1984 did not become the horror year with an authoritarian state, of which there was so much discussion during the first months of the year. But even less has it been a very good year for political and social alternatives.

Instead, the nation rallied around economic growth as a way out of the economic crisis.

As DAGENS NYHETER was able to report a few days ago (20 Dec), the alternative Christmases of the late 1960's are long gone now that the Swedish people gather around the Christmas table, despite the unusually stark contrast this year between Swedish Christmas celebrations and the state of the world.

In recent weeks four-color Christmas food sections have been interspersed in the newspapers with documentary photos from Ethiopia in cruel black and white.

The alternative movement which drew the most attention over the last few years, the peace movement, is also not nearly as visible as before. Two years ago, on UN Day on 24 October, demonstrators stood in double rows holding hands in order to build a bridge for peace between the U. S. Embassy on Gardet and the Soviet Embassy in Marieberg.

They numbered over 30,000, and thousands even came too late to march from Norra Bantorget before the whole thing was over.

This year perhaps only one-tenth as many--3,000--gathered in Sergels Square for the corresponding demonstration.

## Ten Thousand Walked

A few years ago more than 10,000 people walked in the women's Lucia march for peace in the December cold. A march was arranged this year as well, but it was not sufficiently large to attract attention in the mass media.

Not much is heard any longer of the earlier completely dominant protest movement against nuclear power. The Environmental Party is stuck at the same level in the polls and seems to have no chance of reaching above the four-percent barrier and achieving actual political influence.

## Languishing Existence

The Ecumenical Developing Countries' Week, which for over 10 years has focused the interest on issues of peace and justice in churches and religious organizations, now leads a languishing life.

The arrangements were few during this year's week before the Sunday before Advent, compared to what it was in the mid-1970's, when the administration was forced to eat lentil soup with bishops and mission station superintendents.

And admittedly Storkyrkan was filled to the bursting point in the evening on Lucia Day when peace prize winner Desmond Tutu spoke. But aside from that, Nobel's peace prize to the South African freedom movement has not formed the incentive for the antiapartheid movement that it did in the United States.

On the whole, the alternative movements seem to be stronger abroad than in Sweden. On UN Day the peace demonstration was of record size in Copenhagen. The FRG peace movement still gathers hundreds of thousands of demonstrators, despite it being said that it has a hangover after the beginning of deployment of the new medium-range nuclear missiles of the superpowers in central Europe.

## Growing Force

The Greens, with all their internal differences, are a growing force in FRG politics and are now turning up even in countries such as Finland.

To some extent this stagnation of the Swedish alternative movement is a result of tiredness and an awakened, well-organized resistance.

Special conditions apply to alternative movements since they are one-issue movements. It is essential to keep this one issue current in competition with other matters. It requires that whatever the movement wants to prevent must continue to be an obvious and easily grasped threat.

## Absurdly Incomprehensible

This is the way it was during the many years of the Vietnam war, for example.

The preconditions for the peace movement are somewhat different. Indeed, the threat of total nuclear war is constantly with us.

But it is at once so horrible and so absurdly incomprehensible that a public opinion movement does not quite have the strength constantly to belabor it, particularly since the movement's opportunities for actual influence might seem so limited.

The demands to halt neutron weapons or to create a nuclear-free zone in the Nordic countries represent more tangible partial problems in the short run within the overall nuclear weapons issue. But when they, as well as the zone issue, turn out to be increasingly more complicated diplomatically and politically, it is not quite as easy to keep public opinion involved.

In Sweden, above all, the peace movement naturally has also had problems with the military and political development. The submarine violations have become heavy arguments in favor of military defense.

Similarly, the movement for an alternative lifestyle ran into ideological problems during the economic development of the 1970's. Criticism of the growth and consumer society was appealing, as long as all curves pointed upward.

#### Zero Growth

When there was zero growth and national debt in a quite tangible manner, when unemployment and inflation shot up and people became unhappier, doubts were raised as to the credibility of the alternatives.

And now that nearly all political parties so unequivocally advocate a growth policy intended to promote the export industry, limited private consumption has acquired a totally different ideological and political meaning than alternate lifestyle.

But the external stagnation of the alternative movement is also the reverse of an internal consolidation. It is not possible to demonstrate and agitate outwardly all the time. After the major opinion-forming activities comes a period of organization, study and development of ideas. This is an argument pointed out not least by the movement's own representatives.

#### Local Groups

The membership figures of the alternative movements are no longer growing, to be sure. But the number of local groups is increasing. The large national demonstrations in Stockholm are coming to an end, in favor of smaller, local manifestations.

And the inward-aimed studies and education undertaken by the organizations are alive. Many of the movements are aimed toward a deepening of the knowledge and involvement of their supporters, so that there will be something to hold onto when and if the ideological headwind increases.

Similar inwardly aimed ideological deliberations can sometimes be painful for opinion movements that flare up quickly. For example, the Swedish Peace and Arbitration Association--the oldest and largest of the Swedish peace movements--today senses the tension between those who want to regard the peace movement as an expression of a general alternative movement for a lifestyle in solidarity and those who want to limit the activity to direct peace or security policy issues.

This contradiction also touches on something very special in Swedish alternative movements. Perhaps in no other country has the established social machinery, its bureaucracies as well as its popular movements, throughout the years been as successful in capturing many alternative movements and making use of at least parts of their ideas as in Sweden. "Co-opting" is a fancy word used for this, and it has been criticized by both the left and the right.

But ultimately many alternative ideas and alternative politicians are absorbed by and become part of the Swedish model of the compromise decision apparatus.

Antinuclear power-general Lennart Daleus, for example, is now, through an appointment as an expert in the Agriculture Department, on his way into Parliament by way of Center Party voting lists.

And unless public opinion on security policy issues were to reverse itself completely, it would be no surprise if Lars Angstrom from the Peace and Arbitration Association were to become an expert in the Defense Commission.

The Vietnam movement in its day led to a new Swedish foreign aid policy and official view of the Third World. The nuclear power movement was met by two parliamentary parties at an early stage and led to a popular referendum, which at the same time in fact both defeated the alternative movement and confirmed its demands that nuclear power must gradually be abolished.

#### Acidification

The environmental movement has been the reason why the governing party today has seized on the acidification threat more rapidly than almost anyone else. The peace opinion has caused the labor movement to establish its own peace forum. And due to the achievements of the Ecumenical Developing Countries' Week and the Christian peace activists, the nation's bishops recently agreed on a pastoral letter on peace and that at least the central church organizations should demand that Sweden break off all economic ties with South Africa.

Peace has even become such a popular subject that this fall it has lent its name and loftier purpose to the biggest success all year for the Money Lottery.

And although the Environmental Party has not had a breakthrough in politics, new, "green" alternative parties have had considerable success in the most

recent municipal elections and through a balancing key position have acquired not insignificant influence. The local alternative parties have also shown themselves to be viable during several mandate periods.

#### Nonpolitical Plane

Part of the picture of how the alternatives developed in Sweden during the 1980's is also that they gained a certain foothold on the conservative side of politics and, on a more nonpolitical plane, in private life.

The new individualism, the body culture of exercise, start-your-own-campaigns and charm courses in the companies is perhaps not something we associate with alternative movements of the 1960's and 1970's model.

But one explanation for their success is that they were presented as very radical alternatives to the secure but bureaucratic high-tax society of the welfare policy.

In this respect there may be a connection between the situation of the alternative movements and the conditions we associate with the symbolic year of 1984, soon to have passed.

11949

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POLITICAL

CYPRUS

PERMISSIBLE LIMITS OF CONCESSIONS TO TURKISH SIDE

Nicosia I SIMERINI in Greek 8 Dec 84 p 3

/Commentary by Nikos Iakovidis: "Permissible Concessions"; passages enclosed in slantlines printed in all caps

/Text From published reports and from events of the last few days, it is unquestionable that the Turkish side has made concessions on the Cypriot problem, especially with regard to the territorial question. However, the most important elements of the problem are the constitutional structure of a new Cypriot state --embodying the related issue of the way to implement the three basic freedoms-- and the system of international guarantees for the new state to be created. The withdrawal of all non-Cypriot military forces from Cyprus is also self-evident.

The question thus arises up to what point we can concede in view of having a political agreement succeed. I will attempt further on to approach this issue. The statal makeup must have the basic characteristics of a federation distinct from a confederation. The central, federated statal authority that would dominate the state authorities of the two federated --not sovereign-- state authorities would have such a degree of power that both the unity and operational effectiveness of the state (of the /one/ federated state) would be secured.

In other words, the statal makeup would be a federation and not a confederation, even though it may not be a very strong federation --with regard to the extent of authority of the central state authority-- compared to other federations existing today in our world. The big question is the method of distributing the central, federated power. /Between/ the two national communities. It appears that up to now there is an identity of positions with regard to the numerical composition of the central legislative authority (Upper House with 50 percent- 50 percent participation of the two communities and Lower House with 70 percent Greek Cypriot and 30 percent Turkish Cypriot participation).

We must also not yield on the issue of the Greek Cypriot majority (numerical) in the central executive authority. In other words, we are to have a permanent complete majority of Greek Cypriot ministers (and as many deputy ministers as to be determined) and a Greek Cypriot president and a Turkish Cypriot vice president on a permanent basis. However, besides the issue of the purely numerical composition of the central, federated --sovereign-- state authority (both legislative and executive), there is also the issue of the substantive,

real extent of power that each community will have in making of executive (and administrative) as well as legislative /federal decisions./ In this matter the greatest concession we can make is to have as a basis of substantive (decisive) Turkish Cypriot federal authority (legislative and executive) the extent of substantive authority that the Turkish Cypriot community enjoyed under the 1960 constitutional state, with a modification, even though moderate in nature, to the benefit of the Greek Cypriot community, being understood that the principle of majority rule on an international basis has been universally recognized and implemented in Zimbabwe (former Rhodesia). There, the distinctive characteristic of the two communities of the country was /anthropological race/ (Whites-Blacks). In Cyprus, the distinctive characteristic of the two communities is the /national race/ (Turks-Greeks).

If the non-implementation of the principle in the former Rhodesia by Ian Smith established race discrimination, the same such set-up would be established in Cyprus to the detriment of the majority Greek Cypriot community through the non-implementation of the principle of majority rule on an intercommunal basis in the structure and functioning of the central state authority (legislative and executive). /And it would be inconsistent especially for Britain to finally implement such a principle in Zimbabwe and not to exert pressure to have it implemented in Cyprus. The same applies to the United States and to the United Nations overall./

With regard to the refugee problem that is connected to the implementation of the principle of freedom of movement, settlement and acquisition of property by every Cypriot in any part of the island, the recent rather belated Ziartidis approach is undoubtedly correct. At this point I will put forward a personal approach.. Greek Cypriot property that would be in the /zone/ under Turkish Cypriot administration would automatically become property of the Turkish Cypriot community collectively which will dispose of it as it sees fit. The same arrangement would apply to Turkish Cypriot property in the zone under Greek Cypriot administration. Freedom of movement is to be recognized in the federation Constitution and is to be implemented when the new Constitution goes into effect, while the right of property ownership by every Cypriot (Greek or Turk) in any part of the island as well as the right of every Cypriot to settle /permanently/ in any part of the island is to be recognized by the federation Constitution, but its implementation by a constitutional provision is to be held in abeyance for a specific period of time, for example, 30 years. To be included in the constitutional provision are the criteria for what is to be considered a /permanent/ settlement (consequently to be held in abeyance). Also to be provided for is the establishment of a Federated Compensation Fund for the purpose of making monetary compensation to refugees (and proportionately to non-refugee property owners) who would not return to their homes or property /and/ who would not obtain property previously owned by members of the other community or who would obtain such property but (at least) much lower in value than that they had lost.

With regard to the issue of international guarantees for the new state, I see as the only attainable solution a modification of the 1960 Treaty of Guarantee and its inclusion in the new Constitution. The substantive modifications of the existing Treaty of Guarantee must absolutely (a) give the guarantor powers the right of /joint/actions only; (b) the operations or measures (actions) which the guarantors can take to see to it that the treaty provisions are being respected

(and here we should insist on the exclusion of military action) must be determined in detail, both explicitly and mandatorily; (c) instances where a threat, a design on or the upsetting of the treaty provisions are considered to exist must be determined with exceptional clarity, explicitly and mandatorily; and (d) an annex to the Treaty of Guarantee --that would be incorporated into the Constitution-- is to be drawn up that would require the enactment of a law that would make any act liable to directly or indirectly promote either partial or complete union with any other country whatsoever or partition or separate independence an /indisputable/ criminal act the sentence for which would call for /both/ dismissal from public office and deprivation of electoral eligibility.

Moreover, there should be no concession on our part over the issue of the withdrawal of all non-Cypriot military forces. We can, nevertheless, accept that the withdrawal be gradual in nature but within a reasonable time frame and that it would take place under trustworthy international supervision and with subsequent increased military presence and police powers of the UN peacekeeping force during the intervening period until a new constitution is to go into effect.

Finally, I must say that only when an intercommunal political agreement on the overall resolution of the Cyprus problem would have been proclaimed should we then accept the formation of an interim government.

Most certainly, time consolidates accomplished facts. Compromise, however, means /mutual/ concessions. Concession on our part on certain issues, although going beyond certain limits, is equivalent to national suicide of Cypriot Hellenism. And if the dilemma is: suicide or political resistance, then the choice must be resistance. If the dilemma is whether we commit suicide or fall fighting, then Greek Cypriot wives and mothers must say "Either Victorious or Death." Anyhow, hope springs eternal in resistance. On the other hand, suicide is synonymous with death. And we are talking about political resistance.

5671

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POLITICAL

CYPRUS

BRIEFS

SOVIET DELEGATE'S VISIT --Mitrofan Studenikin, chairman of the Soviet Union-Cyprus Friendship Association, arrived in Cyprus yesterday. He is scheduled to take part in the Cyprus-Soviet union roundtable discussion on peace, disarmament, friendship and cooperation opening today, Sunday, at the Soviet Cultural Center between 10 am and noon. The meeting is being organized by the Cypriot-Soviet and Soviet-Cypriot Friendship Association. /Text/ /Nicosia  
KHARAVGI in Greek 16 Dec 84 p 1/ 5671

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POLITICAL

FRANCE

MITTERRAND GOVERNMENT STATUS, ACCOMPLISHMENTS AT MID-POINT

Paris LE MONDE in French 3, 4, 5 Jan 85

[Series of articles by Jean-Marie Colombani: "The Socialists at Mid-Term"]

[3 Jan 85 pp 1,7]

[Text] From the "break with capitalism" to Father Pierre! From the promise to emerge from the crisis by using a "different logic" to a necessary and shocking return to charity as a way of treating poverty. This is the assessment of Mitterrand midway through his term. This inverted brief summary, as oversimplified and unjust as it may seem, takes into account the Left's inability to keep its major promise: to conquer unemployment.

Yes, at mid-term this fact eclipses all the others. The magic of the president's speech, or rather the rediscovery by the president of the republic of ideas such as "class struggle," "most disadvantaged classes." or even "socialism" will probably not be enough to get "the people on the Left" out of what has become their favorite refuge: not voting.

The opposition can obviously make use of this helplessness. This opposition is not, or at least not yet, divided and within it talk of unity has for the moment overridden the practice of competition. It has therefore been blowing harder on the coals of ideological or local dissatisfactions (such as New Caledonia) because it knows its adversary is fragile and weak. So fragile that it is not far from being unable to act; reduced, as it was during the fourth republic, to quickly handling current affairs while waiting for, and perhaps even advancing, the election dates.

The Left's handicap has become impressive; it is at least 20 points if one looks at the results of the European elections (60 percent vs. 40 percent), which 6 months of partial cantonal elections have confirmed (see LE MONDE of 27 December).

From this rift there emerges a prediction in the form of a certainty about the outcome of the parliamentary election. Simply because victory appears nearer, the opposition can as of now again harden its attitude. This has been shown by the criticism of France's international conduct and the one-upmanship regarding New Caledonia. Just a few months ago the opposition leaders displayed a reflex of discretion on such delicate subjects; they were compelled to be rather non-belligerent. But now belligerence has won out and it was all the easier because the ruling party seems to have no future.

A Right which gives the appearance of being united, carried along more by the Left's discredit than by its own credit and a formidable handicap underlain by helplessness in combatting unemployment--the picture is hardly different from the one that could have been painted at the end of spring 1984, which was marked by a mass uprising against the Left over the school issue.

Mitterrand tried to remove some earlier constraints and not the minor ones. But other constraints appeared. The government was worn out; there is now a new government. There had to be a "clarification" for the majority and it took the form of a separation between the PCF and the PS. There was a president who had become an almost permanent special envoy to foreign countries--he has "returned" to France. And the discussion on freedoms degenerated into a crisis of legitimacy and ended when the Mauroy-Savary test on private school was withdrawn and Chevenement arrived.

Moreover, this school issue was almost the pretext for a real crisis in the administration; at the beginning of last summer everything was ready for a show of force between the executive branch and the Senate, the bastion of the opposition. Mitterrand seemed to have accepted this and it showed in his poor welcome for Poher. The head of state thought he would get out of this crisis through a referendum on reducing the length of the president's term. At the last minute (upon his return from Jordan) the president decided to avoid a show of force and tried to reinvigorate his legitimacy via another referendum on the organization of referendums. However, this never took place because it was blocked by the Senate. After the administration got its feet caught in these clever plans only a simple picture remained from this period: the administration took a step backward and the president's authority was thwarted.

#### Advantages

That was one action that ended badly but there was another, the arrival at the Matignon of the "young prime minister" who "has been given to France," which worked to the advantage of the young prime minister in question; a dominant party which was tired and flustered; the departure of a partner which was a political liability but an asset in elections--of all the events of the summer there are few which can be said today to have been to the administration's advantage.

The administration does, however, have some attributes. Although its break with the general public is based primarily on the economy (accusations of incompetence and the unpopularity of austerity), it is hardly any longer attacked in this area by the Right, which is undoubtedly aware that it could not offer much better even if it promised more. The opposition has therefore used different themes in turn--freedoms, security, poverty, the authority of the state, its credit abroad--which are like so many mines placed at the feet of the administration with the question being which one will make it explode.

Another attribute is the speeches and attitude of Fabius--"modernize, join together." Polished speeches which hardly leave any room for criticism. But here again the handicap is sizable.

Modernize? Although no one contests the necessity of doing so this key word has taken on a frequently pejorative connotation on the Left because it has been too exclusively synonymous with layoffs. It seems as if the administration has brushed some flashy varnish over the sad reality of the acceptance (which was hotly denounced before 1981) of a high level of unemployment as the price for reestablishing the "major balances" (which moreover were compromised by the Left itself).

Join together? During the fifth republic this slogan has become both a magical rite and an electoral necessity. Even Gen de Gaulle believed that the "united" Frenchmen were the ones who were behind him and the others were, in his eyes, the "divided French." The problem for Mitterrand is that only a handful of the faithful seem to be "united" behind him today and the "divided French" have become a majority. The change in the composition of the government shows this shrinking support. "Social socialists" have succeeded the "social communists" and if you look at the latest technical reshuffling of the administration the former are liable to become "Mitterrand Mitterrandists." That shows the electoral strength of that group! After all it is not by chance that Mitterrand's popularity rating, which hovers around 30 percent, now corresponds only to the figure for Socialist supporters. This objective presidential weakness is not the least of the factors in the current fragility of the administration.

[4 Jan 85 p 5]

[Text] An opposition that is celebrating before its time; an administration hampered by the constraints surrounding it; a president of the republic with a low rating--at the beginning of 1985 the Socialists are in a state of extreme weakness (LE MONDE of 3 January). The "Elysee illness" which seems to have struck Mitterrand and his entourage is not likely to help them regain their vitality.

"Be tough, Fabius!" Beyond what this exclamation reveals about the relative dissatisfaction of a president with his prime minister there is certainly an echo of the famous "Be tough, Pompidou!" of Gen de Gaulle to an equally new prime minister. This command, pronounced the day after Fabius' most recent televised quarter hour, also shows that belligerence is not the prerogative of the Right. So much so that it can be asked whether, now that he is at mid-term, the current president is not in his turn the victim of an Elysee illness that can be recognized by three symptoms: refusal to take into account the actual state of public opinion or, if you prefer, splendid isolation sheltered by the walls of the palace and institutions; flight into a certain number of monarchical fantasies; the search for a scapegoat, in this case, the media.

These symptoms are found in varying degrees in the current behavior of the head of state and, perhaps and more importantly, in his entourage. In fact Mitterrand at the same time is both escaping from and succumbing to the first of these symptoms. Who, for example, was not shocked by the opinion that Africans understand French politics better than the French? Exposed to the exasperation of a portion of public opinion and to the hostility of a majority

of it, the head of state sometimes lets show the irritation he is feeling. Behind this there is the temptation to assume an historic posture on the following theme: confound ingratitude as long as I do my duty. So Mitterrand often insists on his desire not to deviate from his path regardless of what it costs him at the polls.

This attitude, which is both a distressed and irritated one, is immediately fought, even contradicted, by this same Mitterrand. Shaken by the demonstration of 24 June 1984 in favor of private schools, he was the one who withdrew the object of conflict, caused his prime minister to leave and tried to persuade public opinion via a referendum.

However a few days earlier during a trip to Auvergne he was the one who strongly urged this prime minister, who moreover was wreathed with praise, not to give in. Similarly, he is now indignant that the French do not understand his policy and refuse to allow him to be judged "from a distance." But then he immediately tries to adapt to this situation. That is why he has not lost hope of calling on public opinion via a referendum that would more or less "relegitimize" him before the 1986 parliamentary elections.

In this respect the "winnable" subjects are not overwhelming--there is always the reduction to 5 years of the president's term, a change voted by Parliament in 1973 but which has not yet been ratified by the people. (This situation would keep the president from again being prevented by the Senate from acting.) Europe and the assumption of a new treaty could also be the basis for a referendum.

Adapting also and more especially means modifying the election law by giving a positive content to this change, which by the way was included in the 1981 promises. After having been the man of the Left's unity (and therefore of bipolarization) Mitterrand would become the one who, by giving more flexibility to the system through a certain amount of proportional voting, would be able to break the vicious cycle of bipolar confrontation, coalition against coalition. Similarly, he could finally be the man for "rebalancing the central powers" (in the terms that he used during the election campaign) to the benefit of Parliament and the administration and at the expense of the presidential monarchy. That is a look towards 1986-1988.

### The Monarchy Is Doing Well

For the moment, in other words at mid-term, the monarchy in question could not be doing any better. The president gets involved in everything, up to and including appointments of subprefects. He is tempted, echoing a saying of Thucydides that he fancies, to go "like any man to the limits of his power." Like the kings of France and like Georges Pompidou whose memory remains in the form of a few concrete and highly visible accomplishments (Beaubourg and the road along the river), like Giscard d'Estaing who personally decided the fate of the flowered city, Mitterrand wants the capital to be transformed during his term. This is the reason for the great deal of time and attention

that he devotes to the "major Parisian projects," plans that are handled exclusively at the Elysee by a small group of experts who surround the president.

This president travels a lot, although his official journeys have not taken the place in the popular imagination that the African safaris of his predecessor did. Let's simply say that he has hardly been repaid in kind; the populace continues to think that, until now, France's position abroad has tended to decline. However, it is true that by taking the good word abroad Mitterrand returns to good graces for the length of the official visit. For his hosts he incarnates--he is--France. From over yonder, wherever it is, domestic details seem quite relative. How can one resist the temptation to escape from these details when it is these very details making one so unpopular?

The fact is that these items are negative only because they are occurring in a context of unpopularity. So much so that, no matter where it turns, the administration is today attacked. Nevertheless it is still true that the president's style and his distant eloquence contribute to the cold relationship that he allowed to develop between himself and the public.

This is where the role of an entourage, which goes beyond the strict boundaries of the Elysee and which is more inclined toward praise than lucidity, comes into play. The "sovereign" makes known his bad mood and the aforesaid entourage believes it is invested with the mission of eliminating his vexations! As with the previous presidential term, the cause of the problem is often communication. The message is not getting through? Denounce the media! (Read Yves Agnes' articles in LE MONDE of 1 and 2 January.) The idea has been accepted that one element of a pre-election strategy is to politically control, in the press, what can be controlled. This strategy, however, depends closely on what has become the major issue of this term: modernization.

[5 Jan 85 p 7]

[Text] At the beginning of 1985 the Socialists are extremely weak (LE MONDE 3 January). The administration seems to be "shackled" and the "Elysee illness" that is affecting Mitterrand and his entourage is not likely to renew his vitality (LE MONDE 4 January). Modernization caused a setback in public opinion at the beginning of 1984 and the Socialist party did not succeed in modernizing the bulk of its doctrine.

Are Mitterrand and the Left going to be victims of time, lost time and time which is now running out? Didn't they intend to make of time, that famous period granted them by the laws, their overriding advantage? Four hundred fifty days, as counted recently by Giscard d'Estaing. Fabius explained that the short length of time remaining will not allow the populace to measure the distance covered by the Socialists or even to glimpse the possible benefits of modernization.

Fabius is right. It is undoubtedly to the credit of these men to have embarked on that path, to have had the courage to speak of effort, thereby keeping the French Left in the long term from the fate of British socialism and allowing

the country to perhaps escape from "South Americanization," which is hovering at the edge of the crisis. It is no less true that such a legacy will be palpable and measurable only later, in other words after 1986.

This deadline, however, was far from being absent from the scenario that prevailed when the choice was made to modernize. This involved having the negative side of this vast undertaking--reorganizations and their strings of layoffs--accepted by means of a powerful electroshock so that a finally informed populace would attribute all the liabilities to the Mauroy government.

The Fabius government, which is in charge of the election, would then have a free spirit and a free field of action and the shock of the reorganizations would be behind it. Brilliant minds close to the president thought up this ideal process when they created the concept of "paroxysmal management of the crisis." It certainly was a paroxysm! The trouble is that it is still continuing.

Let's look at two curves--those of the BVA Institute, which each month for PARIS-MATCH records how the French would vote if parliamentary elections were held. These curves crossed in February and March 1984. In other words, despite the unpopularity of the two austerity plans (summer 1982 and spring 1983), the Left did not cease to be the majority in terms of voting preferences until the beginning of 1984. This reversal took place precisely when the Elysee was working with its "announcement effect." It was the Elysee and not the administration because the president does not let anyone else announce a decision that is his alone and this decision was made against the advice of his prime minister.

Mauroy was attached to two ideas: to hold "the peak of 2 million unemployed individuals" by extending "social treatment" of unemployment and to spread out the reorganizations by managing them one by one so as to better control the political effects. The Elysee strategy prevailed however and, with it, an "economic treatment" of unemployment based on the precept dear to professor Barre: the austerity of today creates the investments of tomorrow and the jobs of the day after tomorrow.

This was when unemployment began its upward climb again after a meritorious stabilization. This was when the battle fleet of the administration was really hurt. The dikes--of unemployment and of the confidence of the "people on the Left"--certainly broke down under the force of the famous "paroxysmal management of the crisis." So the break can be dated.

Modernization certainly rhymes with reorganization but also with moderation. Modernize--therefore unite! Then came the Fabius government which, thanks to its prime minister, was liable to incarnate modernness and be able to make talk of consensus credible. With the help of the departure of the PC the time had come not to govern with the center but to govern in the center. In this context the withdrawal of the school war issue was a gauge of good will.

It remained necessary to align Socialist speech with the administration's actions. This was the job of Lionel Jospin who convoked a national convention for the end of the year entitled "Modernization and Social Progress."

This coherence lasted only one summer, however. It gave way to a certain wavering, as if the administration were again hesitating between two political poles, the first "modern" but risky, the other "archaic" but reassuring; the one decked out with the attractions of the "third way," the other leading to a confrontation of Right against Left or "class against class," as the Communists would have said if they had remained in the majority.

Talking about and practicing modernization came up against the hard lessons of the elections. It became apparent to the Socialists that the political ramifications of such a choice were not worth playing and would certainly not pay. On the contrary, voters on the Right remained frozen despite a real "Fabius effect" on public opinion. Voters on the Left understood nothing. To give them back their taste for the ballot box there is a strong temptation to return to the classical version of a Left which separates ideology and practice.

Mauroy had said that because we have problems getting the management of the crisis to be accepted, let us remain anchored in stable values that allow our voters to recognize us. This is how the Mauroy-Savary school offensive and the anti-Hersant law can be explained. Others are now going further, as shown by the discussions of the PS national convention. They would like nothing more nor less than to abandon austerity for the delights of economic recovery. In addition, others add that modernness and modernism are values from the Right. Let's fall back on good old orthodoxy, the very same that allowed Mitterrand to keep control of the party from Rocard in 1979. In short, let's act as if all that was only an "interlude"!

#### The PS Missed the Turn

Such is the modernization missed by the administration, or more precisely by the Socialists. "Modernize and join together"--that also implied modernizing the PS so that it can claim to be joining together more than a core group of faithful. There then arose a question that became more delicate after the departure of the PCF: how can you conduct a forced doctrinal revision under the pressure of events and government action in an electorally unfavorable situation, all while remaining on the Left? It is clear today that the Socialists preferred patching up their ideology of the seventies to any serious attempt to adapt.

It is also true that the PS (of which the best members went into ministry posts) hardly used its ascension to power to renew its ranks, its doctrine or its culture, which have remained what they were before 1981. This has been a powerful force of resistance. Another was that the administration constantly put itself on the defensive. Let's look, for example, at the three phases of the debate on the state.

First: the triumphant Left nationalizes. Why? To have socialism, which is based on a rational and "democratic" public sector.

Second: faced with criticism from a Right which was raising its head, nationalizations were then justified only by the necessity to give the country "an economic striking force." With the liberal mode growing and the Right now taking the

upper hand, the Socialist leaders fought back with "liberalism." Fabius pleaded in LE MONDE for "less state"; the president decreed a lowering of obligatory deductions. The only ideological reference that then remained was the imprecise one of Mitterrand (in an interview with LIBERATION) related to a "mixed economy society."

Third: the rediscovery by some of the populace of the often "wild" character of liberalism has allowed a return to a classical stance on the state. France is again (interview in LE MONDE with Jospin) being described as a capitalist country without businessmen where only the state can and should take over as long as it performs well and is "unbureaucratized." The advantage of such a stance is evident--for the Socialists themselves this means a change and no longer a break with the seventies and allows the Socialists to be heard by all those who take advantage of the state's role, in other words varied social groups. There is perhaps something there to limit the election damage but probably not something to prepare the Socialist model for the end of the century.

It is this latter point which is important. The political parties--Socialist, then Communist--which continue to claim that they come from the workers' movement were formed at the beginning of the century to represent and organize a social class that had broken with the society of its time. The integration of the majority of social classes into today's society in the long run condemns the parties on the Left--Communist (we are seeing that today) but also Socialist--in their current form and attitudes.

The old SFIO [French Section of the Workers' International] clearly could not have won in 1981. Mitterrand was successful because, among other things, he knew how to recreate a Socialist party. This group, because of its diversity but also because of its internal rivalries, appeared to be a "catchall" party, the modern form of government parties.

The PS today is living considerably behind the times. Whereas the problem for modern social democrats is to emerge from Bade-Godesberg, in other words to go beyond the classical social-democrat model and the welfare state as it has operated for 30 years, the problem for French Socialists is to be able to take on the creeping Bade-Godesberg to which government action has led it. So French Socialists are making a late revision--one quarter century late.

We can ask whether the PS needs to be born again today rather than to fall back upon a decade--the decade of the union of the Left--which has undoubtedly exhausted its effects politically and rather than to hold on to the good old branches to try to control the election shocks to come. Didn't the survey by LE MONDE and SOFRES [French Opinion Polling Company] on the rejection of the political class show that the people no longer accept the gap between speech and practice? In its current form the PS was built to allow Mitterrand to win. Isn't it time to transform this party into a group which will finally allow the Left to become able to govern for the long term? "I am Fabius and Mitterrand is Mitterrand," Fabius said one day when speaking of the president. Didn't he begin the after-Mitterrand era that day?

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POLITICAL

GREECE

KKE FLORAKIS INTERVIEW ON DOMESTIC, FOREIGN AFFAIRS

Athens TA NEA in Greek 9, 10 Dec 84

[Interview with KKE Secretary General Khorilaos Florakis by N. Andonopoulos and A. Stangos; place and date not specified]

/9 Dec 84 p 13/

[Text] KKE Secretary General Kharilaos Florakis gave a revealing interview which encompassed all the country's current problems. The interview was granted in two parts--due to a short illness of Florakis--to the NEA political editors Nikiforos Andonopoulos and Angelos Stangos:

Question: The recent resolution of the KKE Central Committee severely criticizes the government. One might say it unfairly judges the government's efforts without ignoring the mistakes that have been made. Do you think the government could do more considering what it inherited and that it is not a "revolutionary government?"

Florakis: Some say we have a "moratorium" with the government and that we "close our eyes." Others say we severely criticize it; that we use "strong language," or we unjustly treat the government and its work. None of this is true. There is no moratorium, nor are we opposing it for the sake of opposition. Our attitude toward the government and our criticism are determined by objective, not ephemeral, criteria and temporary expediencies. It is determined by the government policies and work. This is what we take into account.

Question: The governing party says you must take into account that this is not a revolutionary government...

Florakis: An interesting argument. But they themselves claim they can reach socialism without the need to have a government that will come out of a revolutionary movement. Let us not talk about it. This is a big subject. We agree that the PASOK government did not come out of a revolution. But this cannot be used as an alibi so it can abandon its commitments to the people, to abandon the effort to deal with the problems of dependence on the American-NATO imperialists, the problems of democratization, the measures against the greed of the monopolies.

The means and power for a genuine change do exist, provided the will is also there. And I ask you, do you see such a change? A change PASOK promised loudly and widely? Of course, the political climate today is better and certainly some reforms were introduced even though they did not constitute a policy of change. But in the name of its "centrist openings," of "national unity," etc., the axis is shifted increasingly to a more conservative hue.

Question: But how do you explain the all-out attack against the government by all the forces of the Right?

Florakis: There is no doubt, and we should not be surprised, that the government is being attacked by the forces of the Right. The fact that the government's policy does not lead out of the context of the present establishment does not mean that what the government does is serving all sections of the bourgeoisie.

Remember that in the past the Center Union was in office and was attacked by the Right on all fronts. The Right is fighting to regain power. Do not forget that the two-party game favors the establishment. This is not strange. The more so since this government indeed took certain measures which hurt the interests of the establishment--special measures relating to domestic policy or, if you wish, measures relating to the country's democratization such as the recognition of the National Resistance, etc. But this does not prove that the PASOK government today follows a policy leading to genuine Change.

Question: A series of important peace-loving initiatives have been taken by the government in the area of foreign policy, initiatives which have caused strong American reactions and pressures.

Florakis: Of course, such initiatives were taken. We were the first to acknowledge and support such initiatives and we insist it is necessary to broaden them. But on the other hand, we are disturbed by a series of government actions which are in opposition to our national interests and to the need for our country to play a consistent peace-loving role.

I refer to the setting up of a new NATO base in Aktion for the AWAC spy planes. I refer to the recent "purchase of the century;" the negotiations for the Voice of America, which apparently deal with terms for its stay. Two years ago the premier had declared in Larisa, "not a dime for NATO," yet, the other day at the NATO meeting he agreed to have the NATO defense outlays for the next 5 years increased by 40 percent.

I refer also to the unprecedented decision to propose that NATO directly assume control of the Greek military forces on Limnos, which contrasts radically with the declared policy of the government on the Aegean. And I ask you: if the Right had done all this, if the Right had given Limnos to NATO, what would PASOK do? It would have been up in arms accusing the government of dependence, sell out, etc. Is this not so?

Indeed, these actions truly deepen the country's dependence on the American-NATO factor, get the country's problems more entangled and place them on a very dangerous course.

#### The Change Requires Enthusiasm

Question: In other words, assessing the government's policies in their entirety during the past 3 years, as well as its positive points and mistakes and omissions, do you think it has not created the conditions to move decisively with the change in the next 4-year period?

Florakis: I believe it has not. What are those conditions? Did it go ahead with the democratization of the state machinery? Did it purge the water-tight compartments of the Armed Forces? Every day we see evidence that in the state machinery there are still active not only forces of the Right but forces influenced and tied to the mechanisms of the "foreign factor."

But on the economic side, the government has not created conditions for an autonomous economic development for the benefit of the working people. A most characteristic item is the government's attitude toward the popular movement. How can it stand up when it keeps such an attitude; how can it expect to move ahead with the Change? The disappointment it has caused among the people certainly does not facilitate the progress of Change. Great changes require enthusiasm, a different fighting spirit; they require inspiration.

Question: There is a great deal of talk around the election of the president of the Republic. There is talk about presidential interference with the government's work and the political life in general, but the premier stated in his interview with NEA that "the president has not interfered with the implementation of PASOK's program" and that "he has not used his powers under the constitution to obstruct the course of the government's work." What do you think of these statements?

Florakis: I do not doubt the sincerity of the premier's statement that the president has not interfered with the implementation of the PASOK program. It would be more accurate if he had said, "with the government's policies." Why should he interfere? Did they take any steps that went beyond the modernization of the regime, which the president had started himself as premier, and its overall orientation?

We remain in NATO, the bases are still here, we remain in the EEC. Obviously his statement was not accidental. There seems to be an agreement that PASOK, in addition to ND, will support the candidacy of Karamanlis for the presidency next April. We do not believe the president can be neutral.

But the problem is who decides on the country's policy. We believe it is decided by the government, the legislature and in the last analysis, by the sovereign people with their votes and struggles. That is the meaning of

popular sovereignty. There can be no duality of power in determining the country's policies. For this reason we seek the democratic revision of the constitution; to cut down the excessive powers of the president, whether they have been used or not.

#### Going to the People

Question: Do you see an effort to set in motion developments in the context of an effort to assure a balance between Karamanlis and Papandreou--a "historic compromise" as some call it, and see it as a condition for democratic normalcy?

Florakis: Yes, something like that. But we do not agree that this is a condition for democratic normalcy. Alas, if 10 years after the junta the democratic normalcy depended on one or two persons, on any balances or agreements between them. No person can be irreplaceable as a guarantee for democratic normalcy--unless some people consider as normal the preservation of the present order of things. No doubt Karamanlis is a factor for stabilizing the present order of things--but not for a genuine change.

Question: If Karamanlis becomes a candidate for the presidency will KKE vote for him or will it propose another candidate?

Florakis: Look, we fight for a true change, for democracy of the people and for socialism. It is natural that we want a president who favors Change, or at least does not raise obstacles to it. It is natural that we do not want a president who is in favor of keeping the present order of things. We repeat, the president cannot be neutral,

Now, how we'll apply this view at the time of the election will depend on our judgment at the appropriate moment. But we believe that with the simple proportional system and the cooperation of the progressive forces, it is possible to deal with all the problems involved in the forthcoming developments, one of which is the problem of the presidency. Beyond that each party assumes its responsibilities.

But you asked earlier what course the developments will take. We are not playing prophet. What I can tell you is that if some people choose in the end to go with the establishment, we, in any event, will go to the people and the people will judge the parties, the persons, everything. The people have the power to take into their hands the initiative of political developments, to open up, at last, the road to change, by overcoming all obstacles.

#### Only Simple, Unadulterated Proportional

Question: It is obvious that KKE is primarily interested in the electoral law and favors the simple and unadulterated proportional system as the standard system. Do you believe that there is no danger in having a fragmentation of the political forces as the premier has warned?

Florakis: First of all, we do not accept the term "fragmentation of the political forces" as the genuine expression of the popular will which is assured by the simple proportional. The simple proportional does not break up nor does it alter in any other way the political forces. The simple proportional allows the expression--within the framework of the bourgeois democracy of course--of the reality existing in the political and social forces.

#### They Should Not Steal Our Seats

Question: Some people relate the simple proportional to your strategy to have your party emerge as the "king maker" and promote its participation in the exercise of power through a "government based on all progressive forces."

Florakis: Do you mean it is a sin or that it hides some unholy purpose to demand what the people want to give us, and not to have the votes given to us by the people being stolen? If the people, with their vote, push forward our participation in governmental power, by what right should we annul their will through the electoral law? Let us call a spade a spade. Above all the rejection of simple proportional and the use of another electoral system is directed against KKE.

Today KKE is a headache for everyone--for domestic and foreign forces. The Communist Party has no secret objectives. Neither does it say one thing and then another. It has a specific program and specific political proclamations. It has repeatedly declared that it favors a government which will apply a policy of genuine change. If by the term "king maker" you refer to our effort for such a solution, then we accept such a term.

#### The Bombings Are the Work of the US

Question: Will you accept a system of simple proportional which will set a 3 percent minimum?

Florakis: This secret propaganda against us for a 3 percent minimum, etc., is served deliberately by certain circles in order to weaken and wear out the broad fighting front for the simple proportional which has increasing appeal. Our position is clear, precise, and stated in the most formal way: we favor the simple, unadulterated proportional system with wide constituencies and no minimum quotas.

Question: Lately we have certain dangerous developments such as the bomb explosions. Do you think these are accidental, isolated incidents, or part of a broader plan serving a specific target?

Florakis: They are not isolated accidents. Not at all. They are part of the overall plans of the domestic reaction, but also of the Americans, with a specific target. First, the least goal, is to push the government to greater concessions and greater compromises to the Right, and second, which is the major goal, to create the conditions for rightist governments. I

believe these plans cannot succeed provided, of course, the government takes all necessary measures.

But it is possible to have these plans used by those forces which want the government to turn its policies further to the Right. These actions cause a climate of uneasiness in public opinion: "Do not clamor, do not ask for more; don't you see we are in danger? Let us keep quiet for awhile..."

Question: Do you think it is just a coincidence that these bomb attacks take place at a moment when the Right, in its entirety, has launched an all-out attack against the government?

Florakis: No. They are tied together. With its actions the Right is exacerbating the situation and unfortunately tries to benefit from the climate created by the bomb attacks.

/10 Dec 84 pp 9, 10/

Question: Three months have passed since the election of Mitsotakis to the leadership of the New Democracy Party. Is there a change in the policies and tactics of this party compared to its previous leadership?

Florakis: It is clear that the rise of Mitsotakis to the leadership of ND is aimed at a more aggressive, more effective presence of this party on political change and for the interests it traditionally represents. This apparently is not succeeding. The ND crises and feuds continue and deepen regardless of the way Mitsotakis manages the affairs of ND. The crisis of the conservative camp is not merely a crisis of persons. It is above all a crisis of policy, a policy which blindly serves big business and a known foreign factor. Under any leader and under any disguise this policy cannot withstand the test of the national and social problems, not even under the "imported" disguise of "neoliberalism".

#### A Borrowed Recipe

Question: You spoke of neoliberalism. Do you see a tendency of the new ND leadership to accept this so-called neoliberalism? Why do you call it imported?

Florakis: The new leadership of ND and certain younger cadres show an increasing fascination with the Thatcher ideological models and appear to believe they have found in it the medicine for the rejuvenation of the Right.

#### The Danger From the Right

Question: There is the problem of a possible return of the Right to power. Do you believe there is such a possibility? Is it possible that its significance has been underestimated?

Florakis: We have no illusions about the meaning of the Right and of a rightist policy. It is clear that a return of ND will mean an all-out attack against the rights and conquests of the working people and a new period of fat cows for the oligarchy. This is crystal clear and we should not necessarily identify this with an unrestrained neoliberalism. Naturally, in this case the popular movement will resist and will be able to nullify the attack.

The problem is that some people advise the government that to combat the ND threat it has no alternative other than to broaden its compromises with the establishment, the foreign factor /Americans/ and big business. As we see, these suggestions are being heeded. The government is shifting its policy increasingly to a more conservative line, thus cutting off the more radical popular forces and coming into conflict with the progressive parties. This is what feeds a Right which is facing a crisis.

The danger of a return of the Right to power does not come from its policy and profile. It is the government's course which is retreating and feeds the Right. This is the lifeline that Mitsotakis is desperately grabbing to save himself. He knows how to play this game well.

Question: Do you believe, then, that the Right cannot be effectively beaten with the policy followed by the government?

Florakis: No, the ND attack cannot be combatted with the policy followed by the government. I repeat, this policy feeds the Right.

When the Change does not go forward, then it is natural for the confrontation between the two parties to be squeezed between secondary issues and often it takes on a demagogic and sterile character.

For this reason I would like to emphasize that eventually there must be an end to the false dilemmas of PASOK or the Right and to a sterile anti-rightism without any social and political content, from which so many monsters were born in the past.

Do not forget that under the banner of PASOK there were elected politicians with rightist views; they eventually left PASOK. I do not know how many more will be elected in the name of the centrist openings or the two-sided expansion as they call it or in the name of the "anti-rightist committees" which are now being formed by the government.

Question: Something more concerning the New Democracy. Under Mitsotakis do you see any change in tactics toward PASOK by the new leadership of the Right? In other words, do you see an avoidance of verbal attacks by either side and the adoption of harsher anti-communist positions?

Florakis: Let me tell you. One thing is certain. I believe even certain ND leaders feel that the familiar unsophisticated anti-communism of the past

is not working any more. Averof acknowledged this when he spoke to the ND Parliamentary Group. Invoking the communist danger does not work. The democrats in all camps are sensitive to bigoted sermons which presage anomalous developments and dangers. This is something even certain people in ND can no longer ignore. For this reason they make an effort to modernize their anti-communist propaganda and policy, to make it more penetrating, more acceptable to the broad masses.

#### Participation in the Government

Question: Contrary to the decision of the KKE Central Committee last July, I find a return to the "alternative solution of a democratic government of true change." And I see that the same decision analyzes the meaning of "a minimum common program" for KKE. What is the reason for the return to the democratic government of true change which will be based on the democratic forces?

Florakis: I don't understand where you find the contrast. The alternative solution to a democratic government of true change was the focus of KKE's Eleventh Congress. It was the central theme of the Central Committee Plenum recently and last July. This is not a proposal we now present, set aside, then pick up again. It is not our invention. It is an objective necessity to deal with the very acute problems of our people and our country through a course of genuine change.

I want you to note something else. The alternative solution not only contains a proposal to form another government which will be based on all progressive forces. It is not limited to a governmental solution. It goes further by proposing specific solutions on all the problems facing the people and country.

The alternative solution is not--as it is often misunderstood--a way to "exert pressure" so we can join the PASOK government. For us our participation in the government means a different policy, it means participation in promoting a policy of genuine change. But PASOK does not follow such a policy. This is why it seeks at any sacrifice a majority in the Chamber of Deputies.

I take this opportunity to make very clear that it is a mistake for some people to think, if they do, that with the slogan of attaining a majority at any cost or the danger of the Right, the popular movement will be obligated to follow the known policy of PASOK.

Question: Do you feel that such a solution has a better chance now and for this reason you stress it more?

Florakis: No question, the solution we propose is becoming more timely now. We enter an election year and it is only natural to focus on the key question as to what government we will have afterwards. The possible "solutions" are more or less evident. One solution is for PASOK to gain a majority through a

fraudulent electoral law, which will not only fail to move us forward but may even turn us back. Another is the return of ND to power, the "solution" of cooperation with ND or with some of its factions--and you know well what this will mean.

The only positive solution for the people can be a government based on all progressive forces. As time goes on, as PASOK's majority wears out, the more the people see the threat of ND's return thanks to PASOK's refusal to cooperate with the progressive forces, the more the people recognize that there is no other positive solution, especially as they realize that the gaining of a majority of seats by PASOK is becoming problematic.

#### We Are Not Going to Give Away Any Votes

Question: But will PASOK agree to such cooperation even if it does not have a majority?

Florakis: I don't know what PASOK is going to do. But I know it has a choice: either turn to center-right forms or cooperate with the forces of Change. It will have to take a clear-cut position. One way or another the chaff will separate from the kernel, to use a popular expression.

If PASOK does not accept it will have to explain to its followers why it abandoned, so openly, the cause of Change. If PASOK does not live up to the demands of the supporters of Change, the people will pass it by. The popular forces, which will be freed, will seek other roads to implement their desire for change. They will bring changes to the country's political map, they will form new groups, a new, stronger, more consistent and more militant majority of Change and a much stronger KKE. Nother lasts forever, especially the political scene and the correlation of political forces.

Question: Do you think it is possible for cooperation between PASOK and some faction of ND?

Florakis: You have to ask PASOK about that. In any event, such cooperation would require that our political life moves more to the Right. Such cooperation will be unable to solve any problem for the benefit of the people; it would be, I might say, a stab in the back against the cause of Change and would have consequences on the fate of PASOK.

Question: Does the minimum common program signify a certain hardening of the KKE position:

Florakis: No--neither hardening nor softening. How else can there be cooperation? What will be the meaning of cooperation unless it is based on a specific program? We never said cooperation for the sake of cooperation, but for a certain specific goal expressed in a certain program. What will be the content of such a program? Will it be the aggregate of certain common points of KKE policies with those of other forces? We say no. The

program must have unity of conception and it must be such as to change the course of things, to take us out of foreign domination and the unrestrained greed of the oligarchy.

#### The NATO Planes

Question: Although KKE continues its opposition to the so-called purchase of the century it has not voiced its opposition very strongly following the government's announcement. Is it because in the end we will buy only 80 planes, 40 of which to come from the US and 40 from France? Or is it because your party recognizes the necessity for the purchase? Was it possible to avoid purchasing the planes in view of the Turkish threat and the need to replace the present aircraft of the Air Force?

Florakis: Our position on the so-called purchase of the century was clear and categorical from the beginning. We have stated it publicly and formally many times. It remains unchanged.

I repeat: This purchase--and it is of secondary importance if 40 of the planes are French--does not serve our national defense. On the contrary, it turns our defense over to NATO, just as we turn over to NATO the defense of Limnos. On the other hand, it increases our country's dependence on the NATO-American centers and with its tremendous cost it threatens to bankrupt our economy.

I ask you: Is it merely an accident that virtually all NATO countries buy the same types of aircraft? Why do they buy them? To resist the Turkish threat or to carry out orders in the context of NATO military, aggressive designs?

Even the government itself acknowledges that the Turkish threat is guided by NATO and the Americans. What does it do? It buys NATO aircraft to resist the Turkish threat. It brings the wolf to guard the sheep. Have we forgotten Cyprus? Have we forgotten that after the fall of the junta we were unable to utilize the tremendous armaments without a green light from Brussels and Washington?

In spite of the fact that they are not designed to resist a sudden air attack these aircraft in particular need daily maintenance, repairs, spare parts. This means they may be located in Greece but the button to move them over a period of time is controlled by NATO and the Americans. The question is: will they press the button at a critical moment? Or, are they going to impose their own conditions in line with their well-known strategic interests?

Question: But what are the alternative solutions you propose?

Florakis: The basic issue is to decide on our defense strategy. Then it will be clear what types of armaments we need. If we agree that our defense dogma, our defense strategy must be designed to avert an attack from the

"East", then we must find the solutions which will provide the most effective defensive force. In the context of such a strategy, the experts believe a modern, electronic anti-aircraft system with ground-to-air and surface-to-air missiles is the most effective.

Such a system assures a timely, brief and effective reaction along the Aegean--something the airplanes cannot provide. The planes need time to take off and reach the Eastern Aegean. And if we construct the airports and other major infrastructure projects the new planes must have on the islands so they can be close to the area of operations, such bases will be very vulnerable. Moreover, the opponent's air force may draw them into dogfights where it wants in order to attack at will at another point, landing, for instance, on one of the islands.

Let us not forget that the new planes were designed for NATO attack operations in great depth, not for a defensive operation in the peculiar conditions of the Aegean. In addition, their cost and their cost of operation is unbearable. You understand what will happen when they begin to crash. Don't forget how much each of them costs. Then our financial reserves will be quickly exhausted and we'll find ourselves in a defense impasse. By contrast, the anti-aircraft system is incomparably less expensive, simpler in its operation, and much more versatile.

Also, much can be achieved through the modernization of the aircraft we have. In other words, solutions do exist. Therefore, there are solutions more suitable for the Greek geostrategic realities. They could be discussed once the purchase of the century is ruled out. Of course, these solutions are not suitable for NATO which does not see a threat from the eastern part of the Aegean, but from the north, thousands of miles away from our islands.

Question: Not only do you disagree with the purchase of the century; you have also voted against the defense expenditures included in the budget. What is your policy on defense issues?

Florakis: Yes, our disagreement is total. In our view, there is no national defense policy and strategy but in effect we carry out NATO suggestions and instructions and we have been entangled in a vicious cyclical arms race with Turkey. We ourselves buy the armaments we do not receive directly through NATO so we'll not be behind Turkey. In other words, they pass the armaments through the subterfuge of the Turkish threat. Thus it is used to justify our domination by the US and NATO.

Turkey buys American aircraft and we rush to do the same. This is the impasse. The question is to independently identify our own existing needs and chart a national defense strategy based on the people, on an independent foreign policy. It will be determined strictly on the basis of the specific threat we face and the country's geographic and other realities.

Briefly, this is our defense proposal. It requires:

1. Disengagement at least from the military wing of NATO and from NATO's armament designs.
2. Strengthening an independent national armament's industry.
3. Diversification of our armament sources, especially toward non-NATO sources.

On these points we are ready to start a specific dialogue.

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POLITICAL

GREECE

#### KARAMANLIS ISSUE SEEN DIVIDING TROIKA

Athens MESIMVRINI in Greek 12 Dec 84 p 3

[Excerpts] The presidential election has brought to light these past few days an acute intraparty problem for PASOK (which may have been the concern of the Executive Bureau of PASOK yesterday).

The reasons:

The recent statement by Papandreou about his friendly ties with Mr. Karamanlis.

The reports of pro-government newspapers "on the unusual accord between the president and the premier" that was denied, but did not convince PASOK's Marxists.

The "pro-Karamanlis" posturing by Mr. Papandreou has "displeased" the Left-wing of the Movement which is preparing its counterattack.

The conference of PASOK officials, which--after repeated postponements--will take place this weekend will provide the opportunity for this confrontation.

Already many officers of the central directive committee as well as the secretariats of the provincial committees of the movement have served notice to the Executive Bureau that "the subject of the election of the president must be closed" by repeating the Florakis slogan that "There cannot be Change with Karamanlis."

This frame-of-mind at the grassroots--which are purportedly represented by the cadres--has already been passed on to the premier by Executive Bureau members Gennimatas and Laliotis, who are also the principal "recipients" of the protests about the matter.

Contrary to the position in favor--with regard to the cadres who do not want Karamanlis--of Messrs. Gennimatas and Laliotis and despite the reassurances they lavishly make that "the Papandreou statements are a tactical move," Mr. Tsokhatzopoulos "stands by the premier" on this matter, with the result of being accused of splitting the "troika."

The premier's entourage is carefully examining the matter and two suggestions have been made to A. Papandreou:

To clear up the matter in his address to the conference (Saturday) by reiterating his known position on the president "and towards the Center" thus making it more serious.

For the premier to "forget" the matter in his address, deferring it to the next meeting of the K. E. [Central Committee] (12-13 January 1985 which has already been postponed once, precisely for this reason).

It is considered very probable in both cases that the "subject" will be stirred up by several PASOK cadres on Sunday when the conference splits up into workshops.

In any event, the "Left" wing believes that "Papandreou will not easily prevail in this anti-PASOK choice of his" and considers probable the "coalition" of Messrs. Gennimatas and Laliotis (perhaps Rokkos' as well), if the subject reaches the Executive Bureau.

9731

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POLITICAL

GREECE

CONTRADICTION TONE OF NATIONAL POLITICS RAPPED

Athens I VRADYNI TIS KYRIAKIS in Greek 16 Dec 84 p 17

[Excerpts] Before the 1981 elections the fiery rhetoric proclaimed the abhorrence of NATO and the EEC. The crowds were worked up into a frenzy and thundered: "EEC and NATO are birds of a feather!"

It is known that the present government has not withdrawn either from NATO or from the EEC. And with the position it took, it proved right those who voted for PASOK because they did not believe that this party, as a government, would implement what it proclaimed from the preelectoral soapboxes.

There was, that is, a significant number of people who said: "I dare to vote for you because I believe you are not going to do what you proclaim from the soapboxes."

This position could be characterized as "crazy" or at least as weird. It is, however--what can we say--a little immoral because the statement "I vote for you because I believe you to be a liar" surely contains elements of political amorality.

With this position, the relations of the electorate with the political leadership of the country take an improbable shape. One citizen voted for Andreas because he considered him a liar and another cast his ballot for Andreas because he believed the leader of PASOK was telling the truth. Unique things, crazy things, exclusively Greek things...

The fact is that after the election PASOK proved the "crazy" ones and the "eccentric" ones in this category to be right in their foresight.

It is maintained now that the "crazy" ones have a special code to communicate among themselves. With this code they decipher the various political slogans and understand, for instance, that "Out of the EEC," when spoken in a certain manner, actually means that "We are not about to withdraw from the EEC..."

I asked a "crazy" one in this category:

"How did you yourself understand that they would not withdraw from the EEC?"

He explained to me that the signs were evident. In the beginning, PASOK began to

mumble and little by little put "Out of the EEC" on a back-burner and brought to the fore the "referendum for the EEC." After while, even the referendum was set aside and a "renegotiation of our relations with the EEC" began to be mentioned.

From all this my "friend" had reached the conclusion that Mr. Andreas would not have left the EEC even if he were thrown out and he concluded:

"I had no doubt that the same thing would happen with NATO in view of the fact that the EEC and NATO were birds of a feather."

Of course, those of us who believed that our withdrawal from NATO and the EEC might be destructive looked the other way and pretended not to see PASOK's self-contradiction. Because--no matter how you slice it--it is better to have a self-contradictory, but nationally profitable, policy than to have one that is consistent and leads "straight" into the abyss. Or is it not so perhaps?

But the contradiction between the government's words and deeds went overboard and, in the end, the words buried the deeds.

Today a total lack of trust surrounds the Greek government. It is now doubtful whether we still have--up to a certain point--the international supports on which we based, in the past, the exercise of our foreign policy.

It was heard in the Greek Chamber of Deputies, as stated by the government, that we do not need any support because "Greece has the Greek people on its side in support of the carrying out of its foreign policy!"

I will add that the pro-government deputies were exceedingly impressed and applauded this wise maxim! Alas!

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POLITICAL

GREECE

## BOUTOS DISMISSAL AROUSES SURPRISES, COMMENTS

### Boutos Quoted on ND-PASOK Relations

Athens RIZOSPASTIS in Greek 4 Jan 85 p 1

[Text] All the topics discussed by Mr. Boutos in yesterday's THESSALONIKI constitute a clear departure from Mr. Mitsotakis' policies and an "opening" toward the PASOK for post-election cooperation. More precisely, the ND's heir-apparent not only condemns Mr. Mitsotakis' "accusations" against the way the government handles "national issues" but at the same time he also unreservedly supports the government's policies on the issues of NATO, the EEC, the "purchase of the century." He also notes that in reality "differences" between the PASOK and the ND on the main issues are minimal and that in 1984 "consensus" was promoted between the two main parties.

Mr. Boutos emphasizes that the two parties agree on the view that Mr. Karamanlis should be elected to the presidency for another five-year term, on the electoral system, on the "rules" regarding the elections, on the "purchase of the century" and even on the subject of the PASOK's economic policy which, as he claims, "is closer to the ND's economic policy than the ordinary citizen suspects."

In continuing, Mr. Boutos underlined the fact that "There is consensus on the election of the president of the republic. There is consensus on the Cyprus issue on which the ND supports the government's policy. The opposition also supports the government's position on the question of Lemnos. Consequently few questions remain for contention between the parties. And those are chiefly related to our domestic policy.

"I want to believe that in 1985 this emerging consensus necessitated by the heightening of our foreign problems and the gravity of our domestic ones will take a more concrete form."

Mr. Boutos characterizes the "purchase of the century" as a "tremendous step forward" and a more significant measure than the agreement on the bases.

"The 'purchase of the century' means that Greece has definitely become part of the West's defensive system."

In contrast to Mr. Mitsotakis, Mr. Boutos approves of Mr. Papandreou's stance

at the EEC summit conference in Dublin, and he characterizes as a "clever" move the government's proposal to include Lemnos in NATO's military jurisdiction, expressing the hope that "it will have a favorable outcome."

"The government's latest moves bring it much closer than the ordinary citizen would suspect to the policy the New Democracy had followed in relation to NATO and the EEC," Mr. Boutos claims emphatically.

#### Boutos Replaced

Athens I KATHIMERINI in Greek 9 Jan 85 pp 1,3

[Text] The Boutos affair arose suddenly yesterday in the New Democracy while the question of Evert (who is being replaced on the Elections Committee) is on the point of being settled. Since midday yesterday there was information to the effect that in the course of yesterday's (afternoon) meeting of the ND's political bureau Mr. Boutos' withdrawal from that unofficial but high organ would be discussed as also the removal of the Messinian politician from his post as the party's representative in parliament.

In fact, late last night, a party announcement was published which confirmed only the first part of that information (his being replaced in the political bureau by Mr. Sot. Kouvelas). Until late last night Mr. Boutos had not reacted to that decision.

It is worth noting that Mr. Mitsotakis reached his decision and announced it while Mr. Boutos was away from Athens since Sunday. (Until yesterday afternoon he was in Brussels from where he proceeded to London for a planned visit.) Mr. Mitsotakis invoked precisely Mr. Boutos' frequent absences, necessitated by his being the head of the ND Euro-deputies, to justify his decision.

In his declaration Mr. Mitsotakis avoids making any kind of reference to the differences of opinion between himself and Mr. Boutos regarding the ND's handling of and final stance on the electoral law. According to our information, during last Friday's meeting of the political bureau, the politician from Messinia expressed strong doubts about the way Mr. Mitsotakis dealt with the matter, insisting that the ND should stand in favor of simple proportionality.

In contrast to the Boutos affair which has arisen, whose outcome now depends on his own reaction, it appears that the question which came up regarding the replacement of Mr. Evert on the Elections Committee is on the point of being solved. Mr. Evert has already made a clarifying statement yesterday and, according to our information, he will be designated as the ND representative on the television discussion which will take place on Monday on the subject of failing enterprises.

#### Mr. Evert's Statement

Yesterday Mr. Milt. Evert made the following statement with regard to his being replaced on the Elections Committee (which was issued by the New Democracy):

"In connection with today's (yesterday's) publications regarding my sitting on the ND Committee For the Election Contest, I wish to clarify the following points:

- I have requested of the leader of the party that I not participate in the work of the Committee For the Election Contest. At the same time I asked to serve in some other field where I can better serve the common objective, which is the victory of the New Democracy.
- My relations with the leader of the party are excellent. Mr. Mitsotakis was elected through democratic procedures and we must all give him our support in his difficult task, which is to secure an absolute majority for the New Democracy and to create the necessary conditions for an up-to-date party which will serve the people and democracy.
- The New Democracy is not a dogmatic party. It is the party of pluralism and dialogue. Dialogue constitutes its strength. Naturally, the leader of the party has the last word in shaping policies.

#### Evert Statement

Athens MESIMVRINI in Greek 9 Jan 85 p 2

[Text] "My relations with the leader of the party are excellent. Mr. Mitsotakis was elected through democratic procedures and we must all give him our support in his difficult task."

This is what the former minister, Mr. Milt. Evert, emphasizes in the statement he made yesterday when discussing the interpretations of the press in connection with his being replaced on the ND elections committee.

"I have requested of the leader," Mr. Evert underlines, "that I not participate in the work of this committee and to be used in another field where I can offer more to the common objective, which is the victory of the ND."

"The ND," Mr. Evert concludes, "is not a dogmatic party. It is the party of pluralism and dialogue. Dialogue constitutes its strength. Naturally, the leader of the party has the last word in shaping policies."

#### 'Boutos Affair' Settled

Athens I KATHIMERINI in Greek 10 Jan 85 p 1

[Text] It appears that the New Democracy is getting over the Boutos affair without any further upheavals, thanks to the latter's sober reaction, Mr. Mitsotakis' both steady and conciliatory stance but also, and chiefly, because of the urgent need for cohesion and party discipline which are essential to the party's voting base. In a letter he sent to the leader of the

ND from London, where he is at present, the politician from Messinia informed him that he is resigning from all the posts he had in the party, keeping only his functions as a member of the National and European Parliaments. Furthermore, in a statement he made yesterday Mr. Mitsotakis expressed his regret regarding this decision and thanked Mr. Boutos for his contribution up to the present.

The ND leader further expresses the conviction that the Messinian politician will continue to: "offer his contribution to the common struggle from the position he chose himself," in an obvious effort to lessen the distance which Mr. Boutos appears to wish to maintain for further activities until the elections, at least.

At the same time Mr. Mitsotakis yesterday filled the gaps left by Mr. Boutos' resignation, appointing as second parliamentary representative Mr. Ath. Kanellopoulos, and Mr. I. Tzounis as head of the ND Euro-deputies.

#### Mitsotakis Statements

Athens I KATHIMERINI in Greek 10 Jan 85 p 10

[Text] "I began and remain unshakably in favor of unity but I have a responsibility to the president. I do not forget this and others must not forget it either."

With this telegraphic statement of 23 words the leader of the New Democracy, Mr. Kostas Mitsotakis, put a full stop to the 48-hour-long burning interest of public opinion.

His private office, the very image of its leader, gave reassuring and cool answers. "There is no problem. Mr. Boutos, as the head of the ND group of Euro-deputies does not have the necessary time for the political office."

"I am determined to make use of all the officials wherever they can and wish to contribute to the utmost degree. I have neither special friendships nor enmities. I am friendly with the entire party. I have good relations with all of them, no problem whatever with anyone. But, naturally, I view it as my right to use each person according to his capabilities but also according to his wishes." Mr. Mitsotakis confided the foregoing yesterday, and also the following regarding Mr. Evert:

"Because Evert had the potential for that precise job, but he had no inclination for it and preferred to do something else."

Late at night, after Mr. Boutos' letter reached the press bureau, the announcement with which the leader, Mr. Mitsotakis, chose to close the argument in Rigillis street at noon, immediately after his unshakable declaration about unity, conveyed an even clearer message: "We have entered," he said, "the last stage before the elections. I must react like a computer, do the right thing. The harshness of the conflict and urgency do not allow us the luxury of personal considerations. We must all serve the great and common purpose..."

POLITICAL

GREECE

BRIEFS

KYRKOS LEADER OF KKE (INT.) --According to all information available, the KKE (Int.) Central Committee has accepted the election of Mr Leonidas Kyrkos as KKE (Int.) president. The work of the committee continued into the night and from the spirit of the speakers it is considered certain that the proposal will be voted for. The proposal for the creation of a position of party president will be discussed at the KKE (Int.) congress that is expected to convene in May. The approval of the proposal by the congress is considered necessary because this is an institutional measure. At any rate, after its approval by the Central Committee it is expected that it will be easily approved by the party congress. With the new organizational structure, the KKE (Int.) will have Mr Leonidas Kyrkos as president, while Mr G. Baniyas, party secretary, will hold on to his position. /Text/ /Athens I KATHIMERINI in Greek 15 Jan 85 p 1/ 5671

EARLY ELECTIONS PREDICTED--A high PASOK party and government official admitted to a group of friends: "If you don't see a government reshuffle within the next 2 weeks, then get ready for early elections at the end of May or the beginning of June at the latest." He then explained that events will significantly favor the PASOK for holding early elections. He added: "Elections that will be held right after Karamanlis' election to the presidency will add about 5 percent to our vote, because undecided voters will then turn to us without fear or reservation." [Text] [Athens POLITIKA THEMATA in Greek 11-17 Jan 85 p 10]

'EXCELLENT' RELATIONS WITH SYRIA--Minister of Public Order Skoularikis stated in relation with certain press items that "our relations with Syria are excellent, but I cannot confirm or deny reports regarding state security." He was then asked about yesterday's visit to the Ministry of Public Order by the Syrian ambassador. The minister replied that the visit was routine and that the ambassador met with the secretary general of the Ministry of Public Order, Mr Tsimas. [Text] [Athens TO VIMA in Greek 11 Jan 85 p 4]

CSO: 3521/153

POLITICAL

NORWAY

NONSOCIALISTS ENJOY SLIGHT LEAD AS ELECTION CAMPAIGN STARTS

Voter Concerns Polled

Oslo AFTENPOSTEN in Norwegian 12 Jan 85 p 3

[Article by Henry Valen and Ted Hanisch: "Health Problems Concern Voters"]

[Text] Through a series of articles Henry Valen and Ted Hanisch will present the results of a comprehensive pre-election poll carried out by Gallup/NOI [Norwegian Opinion Institute] at the request of AFTENPOSTEN. Today's article is an overview/analysis of the questions concerning the voters; other subjects for coming articles are the tax policies, employment, economic expectations, equality, health systems and care for the elderly, expectations from the parties on concrete issues, government alternatives and political prospects in the light of actual opinion. The poll on which these articles are based was conducted in November 1984.

Measures to ensure employment was the theme which concerned voters most at the end of 1984. In second place was the health system, followed by care for the elderly and foreign policy. The pattern resembled the distribution in a corresponding poll just after the municipal and county election of 1983. That indicates relatively great stability in opinion. But a number of changes were encountered. Most remarkable was the strong decline in interest about taxes.

In a poll conducted by Gallup/NOI at the request of AFTENPOSTEN in November 1984, a nationwide sample of voters was asked the following question: "As we look at the political debate today, which issue to you believe is the most important?" Those asked were given a card and asked to take a position on a number of specified areas.

Exactly the same format was used in the NOI/AFTENPOSTEN poll of November 1983. Results of the two polls are shown in the table below.

<u>Issues</u>	Nov 83 <u>Total</u>	Nov 84 <u>Total</u>
Foreign and defense policy	15	12
Housing expenses	3	5
Taxes	11	4
Care for the elderly	9	16
Problems in the health system	12	24
Limiting public expenditures	4	3
Measures to ensure employment	40	34
Inflation	3	5
Nothing	1	-
Don't know	9	4
Sum	107	106
N	953	945

### Changes

A comparison of the total figures for 1983 and 1984 shows a surprising stability of opinion. There is also reason to notice the changes. There is increasing interest in the health system and care for the elderly, while interest in employment, foreign and defense policy and--especially--taxes is declining. In comparing the two times one should remember that the poll of 1983 happened immediately after an election. An election campaign strongly intensifies the public debate and has a tendency to focus on some issues. Furthermore the debate between the parties turns the spotlight on linkage between unlike issues, for example between the tax level and public expenditures. The voters' political awareness is more strongly stimulated during an election than during more "normal" times.

### Real Swings

The weak decline in interest for foreign policy and employment can probably be explained by a stronger focus on these issues in the election campaign. The voters' increasing interest in care for the elderly and the health system on the other hand corresponds to increasing attention to these issues in the mass media. Here there has probably been a real swing in opinion.

The question of taxes is in a special situation. The issue was quite prominent in the election campaign of 1983. The relatively strong response in the poll after the election is therefore not surprising. On the other hand one would have expected a stronger response in November 1984, considering that the recommendations of the Tax Commission, which were presented a couple of months before, refocused attention on taxes. But the government and the political parties have, as is known, assumed a waiting attitude toward the recommendations, and that must be the explanation for the voters' lack of interest in today's situation. In addition it is worth noting that questions such as housing expenses and inflation, which both play important roles with the political leaders, awaken so little interest with the voters.

## Variations

So far I have discussed tendencies in the total electorate. The next question applies to reactions among subgroups of voters. How do opinions on conflicting questions vary from one group to another? And to what extent can changes from 1983 to 1984 be traced back to swings within definite subgroups? An attempt has been made to answer the first question in the following table, in which the 1984 poll results are divided according to sex and age.

<u>Issues</u>	<u>Sex</u>		<u>Age</u>		<u>60 yrs. or more</u>
	<u>Men</u>	<u>Women</u>	<u>Under 30 years</u>	<u>30-59</u>	
Foreign and defense policy	12	11	12	13	9
Housing expenses	4	5	5	5	3
Taxes	5	4	5	4	4
Care for the elderly	11	20	11	11	30
Problems in the health system	23	25	19	27	25
Limiting public expenditures	3	3	3	3	2
Measures to ensure employment	39	29	44	35	21
Inflation	5	5	5	4	7
Nothing	1	-	1	-	1
Don't know	4	4	4	2	5
Sum	106	106	108	105	106
N	470	476	253	452	241

The table indicates that women and men are somewhat similar in their opinion of which issues are important. It is clear, however that women, to a greater degree than men, are concerned about care for the elderly and health services.

On the other hand men are most concerned about employment. This is unusual, considering that unemployment is actually higher for women than for men. On the other hand the number of active workers is greater for men than for women. This is probably where the explanation lies. If the analysis had been limited to the active working population, there would hardly have been significant differences according to sex. The pattern of material was entirely identical in the 1983 poll.

### Younger and Older

Variations according to age are more interesting. As expected, the older people are more concerned about care for the elderly, and there is a weak tendency in the same direction for the health services. On the other hand the young and the middle aged are most concerned by foreign and defense policies. But the clearest difference is in employment: The interest in this issue declines with increasing age. The number of those who named employment is more than twice as large for the young than in the oldest group.

The tendencies were largely the same in 1983. But it is worth noting that the increased interest in care for the elderly must be ascribed to swings among

those elderly. Further, the interest in employment is unchanged among the young. It is the middle aged and the elderly who have become less concerned with this issue. The tendencies confirm therefore that the pattern of voter reaction is largely determined by rational calculations based on ones own age and private interests.

#### Other Background

A number of other background factors were investigated, but the tendencies are not especially clear. It will also be noted that voters with higher education (more than 9 years) are more concerned with employment and foreign policy than persons with low education. On the other hand the latter group is most concerned with health services and care for the elderly.

But education is obviously not an unambiguous factor. Thus members of national unions are strongly inclined to name employment, despite the fact that the average education level is not especially high among organized labor.

The most important differences in the voters' party political background are that those who vote for the parties on the Left (Labor, Socialist Left and Liberal Parties) are those who are most inclined to be concerned about employment, while supporters of the Conservative and Progressive Parties distinguish themselves by relatively great concern over taxes. Voters of the Socialist Left Party are decidedly most concerned with foreign policy (32 percent), while the Labor Party and the Progressive Party are at the other extreme (5 and 6 percent).

#### Will Endure?

The polls have shown great stability in the different party strengths during the past year. The material presented in this article indicates that there has also largely been stability in opinion during the period following the municipal and county election in 1983.

How long will this stability endure? Nobody can predict that. Development of opinion takes place in a dynamic interplay between parties, politicians and mass media. It depends on political events abroad and at home, and obviously business developments. Three of the issues which are dealt with in this article will almost surely remain on the political agenda until the Storting election in 1985; problems relating to employment, care for the elderly and health services. On the other hand there is great uncertainty on security policy and taxes. Both issues have in recent years played an important role in the competition between the parties.

An election gives parties, politicians and the mass media reason to articulate public opinion. The political importance of the debate is not only in the question of which issues will be of current interest. Just as important are the voters' own attitudes and how they understand the parties' standpoints on concrete issues. The last question will be discussed in a series of articles.

## Socialist-Left Party's Platform

Oslo AFTENPOSTEN in Norwegian 12 Jan 85 p 3

[Article by Terje Svabo: "Green Policies Demand Revolution"]

[Text] Against armament and nuclear weapons. For greater economic equality in society. Against impoverishment of nature. It is SV's [Socialist-Left Party] Stein Ornhøi who is setting up these points as essential elements in the party's election campaign. The departing Oslo representative maintains that it is very difficult to defend a green policy without at the same time being a revolutionary in good standing. Ornhøi points out that the struggle against the impoverishment of nature demands a breach with established society in a number of areas. "The paste-and-glue method is bankrupt in the work for ecological balance and against nuclear weapons."

After more than 12 years in national politics and almost 8 years in the Storting, SV's colorful politician is bowing out. He did not want reelection, but those who must hope for it should not expect that Ornhøi will be totally removed from the political arena. He has been too deeply committed to the work against Alta development, against nuclear weapons and for a new economic policy, to name a few things.

The point of departure for SV before the election does not seem to be the best, if one believes the polls. Ornhøi answers the question of how he believes public opinion perceives SV today:

"That depends on which part of opinion one believes. Those who get their spiritual sustenance from AFTENPOSTEN and the like consider us in SV as half-crazy, not serious and perhaps half-criminal. Those who take us seriously--and they are many more than those who vote for us--see SV as a consistent fighter for disarmament and economic equalization."

"It has not been too many missiles and too few jobs then?"

"The party has put much more resources in the work on alternative budgets than on the work for disarmament, but we do not control the media's way of covering our policies. Furthermore SV will not stop talking against nuclear weapons for fear that we will be reported in the newspapers."

"Why does SV only have five percent support in the polls?"

"That does not happen with our approval."

"Is the shadow of the Labor Party too domineering?"

"Both yes and no. I understand SV's mission this way: The party has a clear mission to influence both society and the big parties here and now. In addition SV with its strong organization must be able to conduct a policy with a more long range perspective. At the same time as we fight for improvements here and now, we have a special mission to make it clear that today's social system requires change."

"How?"

"Small parties can play a special role in special situations. I wish that SV had today's level of support at the beginning of the 70's. Then I believe the long term consequences of the EC struggle would have been different. At that time the Left did not have a good organization and in SV we threw away possibilities in the struggle to create a new party. Next time such a situation arises the Conservatives will not escape so easily."

"Looking ahead, what will be the main issues for SV in the spring session and the election campaign?"

"Disarmament, economic equalization and protection of nature."

"Is the fight against impoverishment of nature on the way in again in politics?"

"Considering all the time we have spent on the Alta conflict and other things, that should not come as a surprise. I believe the difference between green and red policies is more and more being wiped out. See what is happening in West Germany. The Greens are no longer only an alternative in environmental issues, but for steadily larger groups they are an alternative in the struggle for another social system. It is not possible to stop the impoverishment of nature without fundamental social changes."

"If SV should hold the balance after the election, will the party then write out a carte blanche to Gro Harlem Brundtland?"

"We are not going to write out any carte blanche, and the Labor Party knows that. The balance position is no longer a problem for SV. The Labor Party and SV figured each other out in the period 1977-1981. In individual important issues we held the balance, but the Labor Party understood that they could not put pressure on us. Tandberg and the Pay Adjustment Act are two slogans," said Stein Ornhøi.

Gro Harlem Brundtland on Campaign

Oslo ARBEIDERBLADET in Norwegian 31 Dec 84 p 10

[Article by Magne Bjørnerud: "A Breather With Gro"]

[Text] "If you totally erase feelings, something is lost. People are pleased when they see someone give something of

himself. Feelings are a part of a person. One must have the right to react. It can't be just intellectual circling and pirouettes."

Gro is open. She does not conceal the fact that she has thought over both of her experiences on TV and the much discussed duels with Willoch, when she sometimes got red in the face and let her emotional reactions take over the scene.

"I have known for many years what a fine balancing act it is. You are committed. It can be seen that you are. One cannot be phlegmatic and drag his feet in a leadership role. You must inspire others, stand for something. So you have the TV medium which presents a shortened version of what happens, a narrowed truth. If you give a reasoning in several steps, there will only be a small part of that shown to the viewers. It can appear incomprehensible. There is a danger that TV can present a false picture. It is a greater danger than I thought. It takes a long time to learn that for the few people who are followed in detail and continuously. I have still not learned it well enough.

"Let me illustrate. In January 1983 I gave a speech in Tromsø. I talked about disarmament. I thought I had good contact with the audience. They appeared involved, lively interested. It was my task to speak to the annual meeting of the Tromsø Labor Party. But the TV cameras followed every sentence and took the "top" of a longer reasoning. It is rather tragic, it was probably a bad selection of me. Perhaps I should have remembered that in relation to TV, and been just as mild in my voice for the entire hour that I spoke.

"That is a dilemma of the fight. What is the most important now? I have thought about that. I always think back. One learns every month. Also there are clear limits to how far I will go. The question is: what is fair to that which I represent? Must it go over into deliberate falsehood, when I am no longer with it. There is reason to think through that also in a democratic connection. One could easily come out on a dangerous sliding scale."

#### Don't Give Yourself Gro

Gro Harlem Brundtland refuses to give herself entirely to the TV medium. Gro will continue to be an earthly person with feelings as the rest of us. She teaches us clearly to understand that it has something to do with self-respect, right to one's own identity and honor.

Gro is comfortable at the desirable Christmas table on the second floor of the Continental in Oslo. She has the time. It is the first breather of Christmas for her.

She met us in the Storting one-half hour too late. She was on the telephone, with her clerk's messages. She met us in a cape, but with thin high-heeled shoes.

"I have snow boots in the car outside." She turned to the left outside the door of the Storting with the car keys in her hand. She gaped a little. The car was parked on the right. "No, I will go as I am."

This small distraction, she told us later, has an explanation:

"One must rationalize a little when one has so many thoughts in one's head at one time. One learns to distinguish between the important and the unimportant."

And where her Ford Grenada was parked outside the Storting was unimportant and could not be thought about during the day. It was the same when she got her American Express credit card. It was an office girl in New York who told her that her card had been unsigned for 6 months, which meant a big risk for misuse by somebody else.

Gro and Kare

When there is conversation around the New Year's table, we cannot avoid talking about the agreements between Gro and Kare. What has she thought about them?

"On the one side--this preoccupation with everything, from mimicking remarks, hair style, this type of beauty contest, yes, I use the expression beauty contest, can stick in your throat. It is a simplification and a debasing. Despite everything it concerns the people's choice of political direction, how the country should be guided.

"On the other side it has long been apparent that people tie their concept of political reliability to individuals. Individuals have been an important added factor. Formerly it was a question of two men. That was not brought up to date as a theme before it became man/woman. Not many people have thought about that.

"We deliberately rationed before the election in 1983. People have the right to see us in discussion. But there are many who would advance the election campaign on both sides. I think it is the same on the nonsocialist side. Two or three debates are enough. That will also be the line in 1985."

Gro said that she has worked on preparing herself mentally for the clashes with Willoch. The smile also hardened in Willoch's camp. It will not be so easy any longer to play on her personal openness.

"Until this doctor issue was discussed on TV. That is an issue that I know. I knew that what Willoch said on TV was hogwash. That he could permit himself to do this to the Norwegian people! That is not possible, even for the prime minister of the country, I thought. I became indignant. Now I have learned that there are no limits to what he can do. I am now at an even higher state of preparedness. It will not happen again."

## Belief in Knowledge

Gro has set herself up as the people's informer. She believes in knowledge and neat work on every single issue. She becomes doubly indignant when others imply that her own arguments are not factually in order. Willoch tried that. Toward herself and others, Gro is a bit of a moralist.

## Lower Profile

Gro took over the leadership of the Labor Party, moved to tears, at Hamar on 5 April 1981. Big guns such as Tor Aspengren, Trygve Bratteli, Per Kleppe, Bjartmar Gjerde and Reiulf Steen left the board of directors. A heavy responsibility was placed on Gro's shoulders. They were central people who were used to stating the Labor Party's policies in all areas who left the party's central organ.

"Everything was Gro in those days. Have you now, nearly 4 years later, thought of lowering your own profile?"

"Because of the new situation in the Labor Party there was much which required new work. Many of our government members who had been spokesmen in different fields were out of the picture. There were many newcomers in the Storting group. There were not 10-20 people to question. It was natural for me to respond to many questions which were asked of the Labor Party. It was a responsibility that I had assumed. Now there are more to respond, who work in the various fields. More and more often I refer to more and more people."

During the course of the year she has few breathers. There are the much-discussed sailboat trips in the summer and Hardangervidda at Easter, and then there is Christmas with a capital C.

## Peace at Lunner

"Away from the city, up in the forest. There my parents have had a cabin since I was 16. There the family gathered, young and old, from Christmas Eve until New Years Day, almost without fail for 30 years."

"Do you do crossword puzzles and read books there as does everyone else?"

"I don't do crossword puzzles, I haven't the patience. That is just over the line. When needed I can help others. I read books at Christmas. Otherwise I do not have time. I don't know how many I have set aside after 10 to 30 pages over the course of a year. And we play bridge. My brother Lars is an enthusiast, and arranges the Christmas tournaments. Everybody plays. Arne Olav learned bridge in the Harlem family. We play a home variation of Culbertson. Yes, and there are ski trips every day."

"And Gro is in top form?"

"In 1977 I was the best of all the girls. But I have gone down on the prize list. Every Christmas we have competition over the same course. Arne Olav has the times from several years back. I am not as spry as when I was the minister of environment, with a youthful form."

"What was the best part of your respites at Lunner?"

"The long mealtimes. We talked for 2 or 3 hours. Here we had peace and time that we did not have elsewhere."

Out of the Nest

The children are on the way out of Gro's and Arne Olav's nest.

Knut, 23, studies law in Oslo. Kamilla, 21, studies social economics. Even though both Knut and Kaja study in Oslo they have moved away from home. Gro defends the demands of her own and other children for a form of independence which was previously unusual. Before it was unusual to move away from home if one went to school where his parents lived. Ivar, 19, is in the military at Harstad, while Jorgen, 17 and one-half, continues to live at home with his parents.

"Looking ahead, will you continue in politics until you are a pensioner? What is your New Year wish?"

"It sounds banal, but my main New Year wish is for an election victory in the autumn. It would be fine if we could put a stop to what is going on, and lay the foundation for a new push forward. We will break the campaign down to the neighborhood level, and make sure that as many as possible participate," she said.

#### Center Party Rejects Progressives' Role

Oslo ARBEIDERBLADET in Norwegian 29 Dec 84 p 7

[Article by Nils Ottar Ask: "SP No to FRP Holding Balance"]

[Text] "The Center Party [SP] can not participate in any government cooperation which depends on Progressive Party [FRP] support in the Storting. The premise for continued government cooperation must be that the cooperating parties have a majority behind them in the Storting. Anything else would be entirely unrealistic."

This statement was made by MP Ragnhild Queseth Haarstad (SP) to ARBEIDERBLADET. She thereby placed clear conditions on the opposition to the party leaders who said that FRP's holding the balance was no obstacle to continued government cooperation between the Conservative Party, SP and KRF after the election.

Ragnhild Queseth Haarstad has also on several occasions said that she would not allow herself to be pressured into taking any other position than that which she herself thinks is right. This has not always been well received in the party leadership and the SP Storting group.

Also in her home county of Hedmark there are divided opinions about her. Before the nomination meeting at the end of January it is uncertain whether she will remain in the Storting after next fall.

"Do you believe that horizons are limited in SP?"

"No, not in the party. But in the cooperative situation that SP is in it is not always easy to adhere to that which I think is right, and that which I believe is covered by the party platform."

#### Rewarding Decision

"You were against SP going into government cooperation with the Conservative Party. Should SP go into the election without obligating itself to further cooperation?"

"That is up to the national congress to decide. If the party concludes that there are advantages to continued government cooperation, it will of course be natural to continue. I do not want to make strong statements about that before the question is discussed in the party. Basically I have nothing against SP cooperating with other parties. The deciding factor must be in which position do we get the most reward for our policies. For small parties, however, there is a danger of coming into the shadow when cooperating with large parties."

"Do you believe that SP has received the rewards the party should have?"

"I will not deny that we should have had better reward in the strengthening of the economies of the municipalities and counties, a premise set by SP for participating in government cooperation. Also the cultural budget should have been better, especially with regard to resources for general cultural purposes in municipalities and counties.

#### Not Simple

"But even though the Conservative Party is larger than both SP and FRP together, the Conservatives depend on SP's support to retain government power. In this situation you of course have the possibility of pressing issues through if you really want to."

"Yes, but obviously it is not so simple in practice. Furthermore I am not in the government and therefore I cannot say how the tug of war is going there."

"If SP goes down in the election and returns with a reduced Storting group, should that be important in evaluating government cooperation?"

"Yes, clearly so. A defeat must be seen as a warning from the voters that they do not support the role that the party is playing today. The party must accept the consequences of that."

#### Evaluation

How large must be the defeat before government cooperation should be re-evaluated?"

"It is difficult to set a limit in advance. We have a number of exposed seats which we can lose without especially going backwards in total numbers. That will be a question which the board of directors and the Storting group must consider after the election."

#### Not of Current Interest

"Has SP through its government cooperation with the Conservative Party chosen sides, or would the party in a current situation cooperate with the Labor Party [AP]?"

"I do not believe that cooperation with AP in a government position is of current interest. Of course AP does not wish to cooperate with others."

"But if AP invites you?"

"Then I would have the same reservations to such government cooperation as I had against SP going into the government together with the Conservatives. The middle parties should grant themselves the freedom to be middle parties. Then we will stand out as clearer alternatives to the voters. But that does not mean that small parties can not cooperate with other parties in different ways. The deciding factor must be that we get something in return, that we get political rewards."

#### Was in Doubt

"Why are you so desirous of a new term in the Storting?"

"I was in doubt whether to say yes to reelection. The deciding factor as to why I said yes was the many requests which I received from SP people both in my home county and elsewhere in the country. They asked me to stay on. Requests also came from people in prominent positions in the party. The reason why I was in doubt at first was that it is rather tiring to be a Storting representative. Furthermore the working situation for the party has not been easy since we tied ourselves to government cooperation."

## Poll: Slight Nonsocialist Lead

Oslo AFTENPOSTEN in Norwegian 8 Jan 85 p 3

[Article by Bjorn Talen: "Slight Nonsocialist Lead"]

[Text] The calm before the storm. That can be seen in the Gallup/NOI political barometer for the last month of last year--also the last poll before the start of the election year. The changes are relatively small, but the total for the nonsocialist side is somewhat better than for many months. However, it continues to be so even between the government alternatives that eventual electoral pacts and final counts in the individual counties appear to be decisive for the next 4 years Storting majority.

The Labor Party [A] remains at 40.8 (-0.1), while the Socialist-Left Party [SV] continues its decline to 4.7 (-0.3). Seen in isolation this is far from dramatic, but it confirms a declining trend for SV which for a long time had apparently stabilized at a level just below six percent. A result of 4.7 percent for SV is below the 5.0 from the last Storting election, and the lowest figure in several years. It also means that the party can hardly expect new conquests in the fall election, but instead it must fight to hold its current four seats.

### SV's Decline

There are no obvious reasons for the decline in support for SV. The only explanation that can be imagined is the Labor Party's flirting with the left-wing on security policy, and possible frustration among old SV voters at Finn Gustavsen's removal from the party's Oslo list.

### Liberal Party

The Liberal Party [V] which wants to play the role of the Labor Party's other support pillar, moved up a little again from last month's absolute bottom position. December's 3.2 percent is an advance of one-half percent, but continues to be well under the relatively stable four percent which the party held through last year. Everything therefore indicates that the sideways shift has in the short term caused a loss for V. The risk of falling entirely out of the Storting is obviously present.

### Conservative Party

In the nonsocialist camp the Conservative Party [H] went back to 29.0 (-0.9), while the Progressive Party [FRP] went forward to 6.6 (+1.3). That is the best result for Hagen & Co. in all of 6 months, and can be an accidental result. On the other hand it is quite normal for FRP to go forward in the

months when H goes backward, and vice versa. The total support for the two parties has been between 34.8 and 35.6 percent since April of last year and has therefore not varied by more than 0.8 percentage points.

### Progressive Party

It must, however, be somewhat worrisome for the Progressive Party [FRP] that the party is meeting decreasing sympathy from H. As recently as September of last year every third H voter listed FRP as his alternative party choice. Now it is only every fifth H voter who lists FRP as his alternative choice.

### Middle Parties

The Christian People's Party [KRF] maintains its 8.4 percent (-0.2) in the stable 8 percent area. The Center Party [SP] still moves around the modest 5 area, but 5.7 (+0.4) can mean that the declining tendency is now halted.

### Nonsocialist Majority

A, SV and V together have 48.7 percent support and have a relatively clear lead over the 3 government parties, which must be satisfied with 43.1 percent. But adding in FRP's supporters brings the nonsocialist bloc ahead with 49.7 percent, which is the highest total since March of last year.

Question: If you were to vote in the Storting election tomorrow, which party would you vote for?

Party	Stor- ting elect. 1984								
	1981 %	Apr %	May %	Jun %	Aug %	Sep %	Oct %	Nov %	Dec %
A	37.1	38.6	40.3	39.3	40.0	39.3	40.0	40.9	40.8
DLF [Lib People's]	0.6	0.8	0.7	0.6	0.6	0.0	0.5	0.5	0.5
FRP	4.5	6.4	6.6	5.6	5.8	5.1	5.6	5.3	6.6
H	31.8	28.4	28.5	30.0	29.1	30.3	29.2	29.9	29.0
KRF	9.3	8.0	7.8	7.8	7.4	8.4	8.7	8.6	8.4
NKP [Communist]	0.3	0.2	0.1	0.1	0.3	0.6	0.1	0.8	0.2
RV [Red Election]	0.7	0.5	0.6	0.5	0.6	0.6	0.5	0.7	0.6
SP	6.6	6.4	5.7	5.8	5.8	5.5	5.2	5.3	5.7
SV	5.0	6.2	5.4	6.1	5.8	5.5	6.1	5.0	4.7
V	3.9	4.0	3.7	4.2	4.6	4.4	3.7	2.7	3.2
Other	0.2	0.5	0.5	0.0	0.1	0.3	0.5	0.3	0.2
Sum	100.1	100.0	99.9	100.0	100.1	100.0	100.1	100.0	99.9
A + SV	42.1	44.8	45.7	45.4	45.8	44.8	46.1	45.9	45.5
H + S + KRF	47.7	42.8	42.0	43.6	42.3	44.2	43.1	43.8	43.1
A + SV + V	46.0	48.8	49.4	49.6	50.4	49.2	49.8	48.6	48.7
H + S + KRF + FRP	52.2	49.2	48.6	49.2	48.1	49.3	48.7	49.1	49.7

The figures indicate how many would vote in a Storting election tomorrow, of those who are sure they would vote. They were also asked what party they voted for in the Storting election of 1981. The differences between the individual parties' support on this question and the actual election result in 1981 are used as weight factors.

The results are based on interviews with 851 persons who have the right to vote. The interviews were conducted during the period 8-18 December 1984.

Oslo, 4 January 1985  
Gallup/NOI

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POLITICAL

NORWAY

CONSERVATIVES, LABOR PARTY SEE YOUTH AS MAJOR VOTE TARGET

Oslo AFTENPOSTEN in Norwegian 19 Jan 85 p 3

[Interview with Labor Party secretary Ivar Leveraas and Conservative Party secretary Fridtjov Clemet by Terje Svabo; date and place not given]

[Text] The Labor Party and the Conservative Party, the giants of Norwegian politics, have long since started on the marathon race toward Election Day on 9 September. With 175,000 members each no possibility will be ignored that could guarantee good election results. Ivar Leveraas of the Labor Party and Fridtjov Clemet of the Conservatives expect to have at least 40,000 campaign workers in their respective camps and many million kroner. They must fight on the street, at the job site and at countless meetings for the greatest possible favor in the eyes of the Norwegian electorate. Young people will be a central target group. Health and social policy and economic control will be prominent issues.

The two secretaries have had a lot of experience, since each has held his top post for about 10 years. An essential difference between their functions is that Leveraas is elected by the national congress while Clemet is appointed by the Conservative Party's central committee. This means that the Labor secretary plays a much more political role than his Conservative colleague. The fact that Clemet is called a general secretary and Leveraas a party secretary is simply a cosmetic difference.

In this conversation at the beginning of this important election year it is natural to start off with the position of the party organizations today compared to the same period in 1981.

[Leveraas] At the beginning of 1981 the Labor Party was nearing the end of a period of 8 years of government rule. It had been a hard period for the party organization, which was much more rundown than it is now. During this last Storting period the organization has improved steadily, we have acquired new forces and new members have flocked in. Our people have a great deal of determination. I believe we will have an election victory.

[Clemet] There is probably more uncertainty in the Conservative Party today about the outcome of the election than was the case in 1981. But we will

turn that to our advantage. There are now clear signs of increased activity in the Conservative Party and the mood is quite different than it was just a few months ago. The preparations are encouraging when we think of Election Day.

[Question] Which issues will dominate the debate as the election approaches?

[Leveraas] The same issues that people are concerned with. An opinion poll in AFTENPOSTEN last Saturday documented that the main ones are work for everyone, social policy and the question of fairness in the broadest sense of the word. Regardless of what the government parties want these issues will be the dominant ones. This is an enormous strength for us in the Labor Party, since we are on our home ground here.

[Clemet] I do not accept the statement that the issues mentioned here are the home ground of the Labor Party. A major issue in the campaign will be the whole aspect of individual security. The important thing for us Conservatives is to demonstrate that a solution of the many tasks depends on our ability to put our economic house in order. Here the government is on the right track.

[Leveraas] A campaign like that will put the Conservatives on the defensive.

[Clemet] We have a lot to defend and we are not ashamed to do so.

[Question] Isn't it true that in addition to party efforts in the campaign, possible election alliances could determine the makeup of Storting?

[Clemet] It is no secret that the Conservatives would have preferred a new election system with equalization seats instead of the possibility of election alliances (technical election cooperation involving two or more parties). But most other parties have convinced us that election alliances are a solution that can be accepted. Since the blocs in Norwegian politics are so evenly matched, one or two seats resulting from an election alliance can decide the election.

[Leveraas] Election alliances are a bastard solution. The Labor Party will vote against this kind of system when it comes up in Storting. Consequently the Labor Party will not initiate this kind of alliance in the counties. But if the nonsocialist parties go together in an alliance to hurt the Labor Party, we will have to take countermeasures.

[Question] Does the focus on the Gro/Kare duels have an inspiring or disturbing effect on the work of party organizations?

[Leveraas] A discussion of the major alternatives is a natural and necessary part of the campaign. In the upcoming campaign the alternatives are a continuation of the three-party government or a government made up of the Labor Party. Therefore the discussion between the two prime ministerial candidates is interesting, although neither Gro Harlem Brundtland nor Kare Willoch wants the campaign to concentrate on them alone.

[Clemet] It is unreasonable to criticize the two because they engage in duels. The media and the organizations are the ones that want these debates. Can one imagine a campaign in which the major opponents do not meet each other? With regard to the election alternatives, they are not quite so clear-cut as Leveraas says. The Labor Party would depend on support from SV [Socialist-Left Party] and the Liberals to enable it to form a government.

[Leveraas] Then it should not be forgotten that the present government will depend on support from the Progressive Party after the election and that would be the best scenario, from the viewpoint of the three parties.

[Clemet] I do not rule out the possibility that the three parties alone will win a majority.

[Leveraas] All the analysis indicates that this will not happen.

[Question] Which target groups will you especially try to attract?

[Clemet] The Conservatives will put a priority on young voters, but we will also use a lot of energy on the big group in all age groups that is uncertain about party selection.

[Leveraas] We in the Labor Party are very happy that we are reaching young voters better than we used to. We present an overall policy, but if I have to pick out a specific group it would be young voters. For the first time since the Labor Party lost ground among them in connection with the EC issue, young voters have experienced what a nonsocialist policy means. There is our chance.

[Question] Are you two party secretaries looking forward with anticipation to the election campaign?

[Clemet/Leveraas] No doubt about it.

6578

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POLITICAL

NORWAY

PAPER VIEWS SETBACK FOR LABOR PARTY IN LATEST POLL

Oslo AFTENPOSTEN in Norwegian 21 Jan 85 p 2

[Editorial: "Labor Party Slips in Poll"]

[Text] The latest political opinion poll from Norwegian Market Data must be causing considerable concern among the brains trust on Youngstorvet in view of the Storting election coming up in September. After several months in which the Labor Party noted support levels of 39-40 percent the party is now down around 38 percent--for the first time since March of last year. According to Norwegian Market Data's poll for the period from 12 December to 5 January the Labor Party has the support of 38.8 percent of the voters. That is surprisingly low for our biggest opposition party.

The latest figures for the Labor Party should be evaluated against the background of a strong offensive period in which Gro Harlem Brundtland and her party colleagues have hammered away at government policy. We have witnessed massive campaigns against the government which has been accused of ignoring unemployment as well as "destroying the welfare state." It appears that this vulgar agitation has not benefitted the Labor Party in the eyes of an informed electorate. In spite of the strong push the party has lost ground.

We are not ignoring the fact that the shift down toward the 38th percentile could be due mainly to the Labor Party's stand on a Nordic nuclear-free zone and the party chairman's statements on NATO and security policy. The attitudes revealed here leave many people with the distinct impression that the Labor Party is tampering with the very foundation of a national policy aimed at preserving Norwegian security and independence. If such an impression becomes stronger as we approach the election it would undoubtedly be detrimental to a party seeking government power.

In spite of some shifts from month to month the opinion polls are characterized by a remarkably high level of stability, especially with respect to the balance of power between the blocs. According to Norwegian Market Data's latest survey there is still a small edge for the nonsocialist parties, i.e. the three coalition parties, the Conservatives, the Christian People's Party and the Center Party, plus the Progressives. They have total support of 49.4 percent while the Labor Party, the Socialist-Left Party and the Liberals have

48.8 percent. With the small margin that divides the blocs it is obvious that it will be extremely difficult to predict the election outcome.

Even so we have been able to note rising optimism in the nonsocialist camp recently. Of course it is encouraging that the Center Party has managed to turn a disturbing downward trend and is now up at a support level of 6.6 percent, the same level it had in the 1981 Storting election. The Conservative Party is still above 29 percent but is unlikely to be satisfied until it comes up over the 30th percentile. The Christian People's Party remains stable at a little over 8 percent. All this means that the coalition has a viable starting position before the campaign really gets under way, although there is still little prospect of a nonsocialist election victory without the support of the Progressive Party. As Election Day approaches we think this will appear as an increasing problem for nonsocialist voters.

6578

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POLITICAL

SWEDEN

PALME, NOT CONSERVATIVES, HURTING NEUTRALITY CREDIBILITY

Stockholm SVENSKA DAGBLADET in Swedish 19 Dec 84 p 2

[Editorial: "Palme the Party Fanatic"]

[Text] A major point in the election tactics of the Social Democrats is to try to cast doubts on the Conservatives' foreign policy position while at the same time Prime Minister Palme and Foreign Minister Bodstrom, with all their tricks and excesses, are declared infallible and above all criticism.

The Social Democratic desperation must have grown following the latest opinion polls, judging by an article by Olof Palme in the Sunday edition of AFTONBLADET. In this he scattered insinuations and suspicions in an even more abundant fashion and more unpleasantly than in the notorious interview in HUFVUDSTADSBLADET.

He accused the Conservatives of adopting a "vacillating attitude on foreign policy." The reason is that at one moment they make "violent attacks" but in other contexts they support government policy. According to Palme this involves a "lack of clarity" that has hurt Sweden.

What does this rhetoric by the prime minister mean? The implication is that anyone who criticizes any aspect of his and Lennart Bodstrom's foreign policy conduct is hurting Sweden. To be regarded as reliable on neutrality policy Palme demands 100 percent support for all the government's actions in the area of foreign policy.

The consequence of Palme's stand would be the total absence of a foreign policy debate. Either one should keep quiet or cheer Palme and Bodstrom.

This is not only an arrogance that is gaining increasingly Byzantine dimensions in Palme's case, it is an alarming demand for the conformity of silence.

For people should be able to debate and criticize foreign policy without being accused of questioning or harming the policy of neutrality.

Those who feel that we should go further in strengthening our neutrality defenses due to the Soviet border violations than the government wants to are certainly not hurting neutrality policy. On the contrary.

Those who mention the increasing onesidedness in Palme's foreign policy speeches with their violent attacks on the United States and their muting of criticism of the Soviet Union are not deviating from neutrality policy for that reason. On the contrary.

Those who are concerned about the problems created by Palme's mingling of different roles--prime minister, party chairman, chairman of the Palme Commission and prominent member of the socialist international--are not trying to wipe out Sweden's neutrality policy. On the contrary.

Those who criticize Palme's romantic revolutionary excesses in connection with Iran, Cuba and Nicaragua, for example, are not thereby attacking Sweden's neutrality policy. On the contrary.

It is not those who criticize all the foreign policy affairs but those who are responsible for them who are hurting Sweden's international reputation.

It is those who cast doubts on the reliability of the biggest opposition party when it comes to neutrality policy who are harming Sweden. In his article in AFTONBLADET Olof Palme wrote that he is overjoyed that the Conservatives today "outwardly" acknowledge the neutrality policy. But then he wondered if this is a temporary instance of sobriety or a lasting conversion.

Conversion from what? A week after his indiscreet remarks in HUFVUDSTADSBLADET Palme has still not been able to come up with a hint of evidence to prove that the Conservatives have deviated from the neutrality policy.

In spite of that Palme concluded the AFTONBLADET article by claiming that "the many sidesteps the Conservatives have made on neutrality policy create misgivings."

In the foreign policy area the nation's prime minister should act like the prime minister. If he chooses the role of party fanatic instead to the extreme degree Palme has done, he hurts the nation.

Today it is Olof Palme more than anyone else who constitutes a threat to belief in Swedish foreign policy. It is unfortunate that the country has to have a prime minister like this one.

6578

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POLITICAL

SWEDEN

PARTY CONGRESS OCCASIONS DEBATE ON VPK ROLE IN FUTURE

Party's Stagnation Analyzed

Stockholm DAGENS NYHETER in Swedish 21 Dec 84 p 8

[Commentary by Ake Ekdahl]

[Text] Uppsala, 20 Dec--C. H. Hermansson dreamed of creating a Swedish Communist Party that would get 10-15 percent of the votes when he took over as party chairman from Hilding Hagberg in 1964.

In the 20 years that have passed since then VPK [Left Party-Communists] has never been bigger than half of Hermansson's dream. One of the reasons is that the Swedish people got a distorted picture of the communists, in his view.

It did not help that Hermansson sharply condemned the Warsaw Pact lands' invasion in Czechoslovakia in 1968. The surge the new party leader felt then with a new party program to back him up and a strong left-wing trend in society fell apart and the whole party was forced back again. Since then developments have gone in a zigzag, as Hermansson himself put it, and there are several reasons for that.

With the results at hand he says that VPK was unable to meet the demands made on the party. He says that VPK should have shaped its picture of the socialist society more concretely and that they did not foresee the conservative trend that lay ahead. Overconfidence in the blessings of technical development, underestimation of environmental problems and the difficulties of arms reduction along with inability to determine when economic stagnation and the structural crisis would occur contributed to VPK's failure to carry out its hopes of a big communist party in the future.

Not Related

On Thursday he listened to the scientific description of VPK's ideological development since World War II when doctoral candidate Jorgen Hermansson, no relation to the former VPK leader, defended his dissertation in Uppsala on communism's problems and political goals with respect to Swedish communism.

It is a description that C. H. Hermansson recognizes and is satisfied with. The dissertation could even be used as study material by the party, he said.

"It is a thorough and honest analysis of VPK policy," he said in praise when he appeared as an extra opponent.

However C. H. Hermansson wanted to warn all young researchers of the pitfalls involved in trying to draw conclusions about party ideological developments on the basis of party programs and statements by politicians. The whole truth does not emerge from what is written and said.

"Those who have not participated in making the decisions do not know the deliberations that lie behind the statements. Even party leaders sometimes have to make compromises to hold the party together and can be forced to make modifications that do not always express the party leader's inward convictions," Hermansson said.

#### Concealed Power Play

Behind the shift that can be found in documents there is always a power play at bottom that does not go outside the immediate inner circle.

Hermansson described how he had remained silent in protest against a stand he disagreed with which was taken by the party's working committee after the crisis in Hungary in 1956.

Hermansson also saw problems for future research in the fact that party leaders are increasingly relying on speech writers.

"One no longer knows for sure who has written what and which statements express the party's true opinion," he said.

At this moment, before the VPK congress in January, a fierce debate is raging on whether the party is implementing its policy with sufficient clarity and firmness. The party leadership is being accused in a number of motions of abandoning the party profile to gain political influence by cooperating with the Social Democrats.

#### More Respectable

In everyday language the process is described as an attempt by VPK to appear more democratic and more respectable as a party in order to increase confidence among the Swedish people and attract more voters to the party.

This is also discussed in the dissertation which concludes that VPK can permit democracy and use it as an appropriate means for achieving socialism.

C. H. Hermansson said that all political parties normally have high moral standards in their sweep for voters and that they have a definite relationship to their ideology. If parties stooped to anything to adjust to shifts in the polls they would soon be revealed as purely populist, he said.

## Thoroughly Researched

The former VPK leader and the faculty opponent, Professor Daniel Tarschys, ended by agreeing that the parties that do not attract voters at least tempt researchers and that no party has been so thoroughly researched as the communist party.

"I could wish that the Liberal Party received as much attention from the researchers," Hermansson said to his former Liberal comrade in Riksdag, saying that he considered it a shortcoming that the ideological development of the nonsocialist parties has been so little analyzed.

While Tarschys described communism's shifts between right-wing and left-wing standpoints as a writhing snake, Hermansson said he thought the corresponding analogy of the nonsocialist coalition would be a snake pit.

## Hermansson Defends Party Leadership

Stockholm DAGENS NYHETER in Swedish 22 Dec 84 p 3

[Article by former VPK chairman C. H. Hermansson]

[Text] "The party leadership has not paid enough attention to long-range issues," VPK Riksdag member Jorn Svensson wrote in DAGENS NYHETER's debate column on Thursday.

"It is true that concern with acute issues is a threat to the long-range strategic line and the ideological vitality that every political party must be able to come up with," writes C. H. Hermansson, chairman of the VPK's 1990's group, as he continues the debate here.

Just think if all political parties displayed such self-critical frankness to the general public that they allowed one of their leading people to say, as Jorn Svensson, a member of the VPK party leadership, did recently in DAGENS NYHETER's debate that the "party leadership has not paid enough attention to long-range issues concerning the party's role in Swedish politics" and that there are "unclear tendencies, lacking in perspective, toward opportunism and calculation in almost conservative stands on certain social policy issues."

Think if all political parties admitted that they do not have solutions yet to all society's problems! Would that entirely destroy the faith our citizens have in the parties or would it be viewed as a liberation and a contribution to revising the much-discussed contempt people feel for politicians?

In reality VPK is not the only party with internal problems in the sense that concern with acute issues threatens the long-range strategic line and the ideological vitality that every political party must be able to come up with

to attract the general public but especially to appeal to its own members if it is to play any role in national developments. Thus the questions above should not be viewed as the conventional self-critical attitude that people usually adopt just before New Year's Eve. They express real and mounting problems in Swedish politics.

Now it must be freely admitted that a party that works for an overall social change that will build "new heavens and a new earth" has special reasons to avoid having the necessary concerns with everyday issues interfere with the long-range perspective. If one simply wants to administer the current social system a little bit differently, a little bit better, the danger of seeing only the most obvious path in front of one's nose may be less serious. But the new and dramatic element in the situation is that even preserving the old system requires measures that are both sweeping and effective in the long run. No party--whether conservative, liberal or socialist--can avoid self-examination. There is no party that can boast of being the only one to have the solutions to all our problems.

Part of what is involved concerned the existential problems Jorn Svensson mentioned in his article--the environmental crisis, the impact of the new technology, the threat to women's liberation, the whole question of the future structure of society and its internal relations. But an effective method must also be found to meet the threat against our survival represented by the military arms buildup and nuclear stockpiling, a threat that has not declined but on the contrary has increased for every day that passes. Ways and means must also be found for an extensive transfer of resources from the rich industrialized countries to the Third World.

Another burning issue concerns defense and the development of a vital non-commercialized culture. Today this has become both a democratic and a national problem.

But to "continue in the vanguard" solutions are required that are different from the current policies. Even if we continue to count on development and GNP as we do now, even if we do not want to make great changes in social structure, long-range measures are needed to prevent mass unemployment from flooding over us. The current industrial surge is a fleeting phenomenon caused by the effects of devaluation. But things are already starting to cool off. Who dares to guarantee a continuation of industrial employment? The Uddevalla shipyard and Salens are the handwriting on the wall when it comes to business mortality.

In other words it is impossible to continue in the old way. A sweeping revision must occur even of those things that used to be regarded as a matter of course.

What do the political parties do in this situation? The dominant tendency is for them to close up even more. No opening up between the "blocs" can be detected. Instead each occasion is used--as the now ended fall session of Riksdag illustrated--to further accentuate party profiles and solidify the

blocs. Issue after issue has been turned into a divisive wall between parties and blocs. Things have gone so far that if individual members of parliament hold a somewhat different view on an issue than their party colleagues, on an issue like artificial insemination, for instance, it is regarded as sensational!

Of course I am not advocating that parties abandon their programs and standpoints nor do I favor any kind of coalition government. On the contrary, I consider it urgent that the political parties engage in open self-criticism and make a better and clearer presentation of their long-range solutions to the problems in light of each party's ideology.

(If anyone thinks one should clean his own house first, I will briefly mention that I myself have acted as chairman of VPK's 1990's group which has presented six reports this year on the need for shorter working hours, Sweden's growing international dependence, the fight for equality and justice, the future of women's liberation, making the public sector more democratic and more efficient and an alternative economic policy, to list them in the order in which they came out. But there are still important complex problems that have not been dealt with.)

Conclusions? Recommendations? The political parties must take a new and greater responsibility for both the overall picture and the long-range solutions. The fragmentation (division on individual issues) that marks politics as well as the present ideological debate must be replaced with an overall view.

Within a few weeks all the political parties will have held congresses (national meetings) within the last half year. Thoughts of the election outcome seem to have dominated the discussions. Can't we raise ourselves to the level where party congresses are seen by both supporters and opponents as national events that really contribute to long-range solutions of Swedish and international problems? This would place greater demands on the parties, but the question is whether these demands should not be made.

#### Leadership Attacked in Party Organ

Stockholm DAGENS NYHETER in Swedish 22 Dec 84 p 8

[Article by Ake Ekdahl]

[Text] VPK is a party without guideposts. Party chairman Lars Werner and party secretary Bo Hammar are to blame for that. That Christmas greeting to the VPK leader and his closest colleague came from critical party comrades in Gavle in the latest issue of the internal membership paper, VPK INFORMATION.

This is a hard new attack on the party leader prior to the congress in Stockholm from 2 to 6 January, signed by the VPK group leader in Riksdag, Bertil Mabrink.

From his vacation home in Blekinge Mabrink told DAGENS NYHETER that the criticism should not be regarded as a personal attack but is intended to point out shortcomings in the ability to organize party activity and carry out party policy.

#### Division

He thinks one or two new vice chairmen and a division of the party secretary job might solve the problem.

"Hammar is politically capable but he cannot handle organizational work," Mabrink said.

Hammar has been party secretary for almost 2 years. At his side he has an organizational secretary and an international secretary. He is now thinking of getting in touch with the party board and the nomination committee to discuss how to arrange party organization after the congress.

"Critics have to find a scapegoat," he said of the attack.

Mabrink criticized Werner for not arousing enthusiasm among party members for political demands. Hammar got his share of the blame for not coordinating the same tasks.

He accused the party leadership for being evasive and not taking a stand on vital issues.

When it comes to cooperation with the Social Democrats, Werner usually says that the question has been discussed for 50 years now and on relations with other communist parties Werner responds that the problem is so extensive that VPK cannot analyze it, Mabrink said ironically in his article.

Instead of starting to "show off" after a settlement with the Social Democrats the party should evaluate its shortcomings, he said, adding that VPK suffered a serious setback when Palme disarmed one of its show turns--the value-added tax on food.

The fund issue was given as another kind of example.

"The party leadership chose to lie low, avoid the issue and go around it. The responsibility for that should be assigned primarily to the executive committee, the party chairman and the party secretary," Mabrink said.

Werner's way of handling the question of collective association last summer was described as creating special difficulties for VPK.

Hammar's alleged shortcomings in holding the organization together were described as the "political smorgasbord where all interest groups get what they want, which must be replaced with a full-course dinner."

## Compromises

Mabrink thinks that Hammar wants to push VPK policy into the background to make room for compromises. A cooperative spirit is placed ahead of the party's own policy.

He wants to clear the air at the congress without having the criticism interpreted as a malicious attack on comrades in the party.

Hammar told DAGENS NYHETER that work in parliament has been a success and a political breakthrough for VPK that could influence policies through settlements with the Social Democrats.

"We have shown that we can accomplish something besides just talk, and realistic voters understand that," he said.

## Conservative Paper on Party Revolt

Stockholm SVENSKA DAGBLADET in Swedish 23 Dec 84 p 2

[Editorial: "War and Peace (VPK)"]

[Text] While in general a Christmas peace has settled over both politicians and politics, the internal differences within the Left Party-Communists are increasing day by day.

The background is that the party will hold a regular party congress from 2 to 6 January 1985. About the only thing there now seems to be agreement on among the various party factions is that the party should stress world peace. Otherwise a condition more closely resembling all-out war prevails within the party.

The disagreements are not new nor are they minor. Basically what is involved is how a communist party should act in a multiparty democracy.

The party leadership under Lars Werner as chairman has stressed the line of results, trying to influence policy in the short term using parliamentary means. It should be noted that VPK has had some success in this respect, especially in the fall of 1984.

The party opposition under the somewhat peculiar leadership of Riksdag group leader Bertil Mabrink of Gavle, favors the more orthodox line based on placing long-range ideological goals in the foreground of all party efforts.

On the basis of other theoretical intellectual ideas Riksdag member Jorn Svensson arrives at roughly the same criticism as the Mabrink wing, although they have different views of current developments in Sweden. (But they agree on the goal of social reformation: once communists have gained power

developments should never be allowed to take such a turn that the power monopoly could be broken. The one-party state, the dictatorship of the proletariat, is an irrevocable fact, a condition totally irreconcilable in every sense with the meaning of democracy, popular rule.)

But the discussion within VPK on short-term goals versus long-term strategy-- a conflict that is closely tied to Karl Marx' contrary time perspective for development, which the Social Democrats also struggled with at first-- obscures other more important development trends in the party, primarily VPK's change from a party representing wage earners to an elitist party of academicians.

This change from being a pronounced special-interest party has also meant that ideological development has gone in all directions. There are left-wing environmentalists and right-wing environmentalists, poster politicians and peace demonstrators, nuclear-power opponents and price-freeze enthusiasts. If one wants to be a little malicious, one might say the VPK of the 1980's is a happy blend of the diversity of opinion of bygone days as represented by the nobility, the clergy, the middle class and the peasants.

In addition the Left Party-Communists adopts a contradictory position when it comes to so-called brother parties. On the one hand the party verbally rejects everything in the way of Soviet dictatorship in an effort to be as nationalist as possible in its ideological emphasis, but on the other hand the party has never rejected the communist goals--and how could a party working for a dictatorship do that?

Others besides the zebra never lose their stripes.

#### Only Party Without Women's Organization

Stockholm SVENSKA DAGBLADET in Swedish 31 Dec 84 p 6

[Article by Hans O. Alfredsson]

[Text] No women's organization is needed in the Left Party-Communists. At least that is the opinion of the male-dominated party board before the party congress to be held in the Riksdag building on 2-6 January.

VPK is the only party represented in Riksdag that does not have a women's organization. Motions to form one have been rejected several times by the party congress. It seems this is going to happen again.

It is the VPK people in Jarfalla outside Stockholm who are taking up the demand at the 1985 congress. The party board, which is two-thirds men, turned the idea down on the grounds that it would be taking a step backward in development, among other things.

The party board suspected that the effect might be that women would transfer their political activity to the women's organization, with a corresponding reduction in their activity within the party organization. The party board also pointed to the influence that women's organizations have had in other parties and felt that the need for a special forum for women members could be solved through the formation of women's groups or women's policy committees.

The question of a women's organization is just one of the usual large number of motions submitted to the congress. The question that has aroused the greatest reaction in advance and will certainly be one of the big debate topics during the congress concerns the party's profile and its relations with the Social Democrats.

At first the party board thought it would respond to a number of motions on this topic in a few brief lines. The response said that the party profile was indicated through statements and documents decided on by the congress.

After the debate started to heat up both inside and outside the party, the board expanded its response in a mimeographed 6-page supplement. There the board expanded on its view of the party's responsibility as part of the labor movement and in settlements with the Social Democrats on special issues.

This discussion should be a continuous one, in the view of the party board. It was critical of the Social Democrats on several counts--they are accused among other things of harboring the illusion that it is possible to reshape capitalism into a stable and organized form--but thought it worthless to call for a nonsocialist government to grant demands, since such a government is "rooted in the class enemy."

The board felt that the dialogue between VPK and the Social Democrats has improved. At the same time the board agreed that "at times there may have been shortcomings in our ability to clarify the party's position and tactics." However the board felt it could show that in each settlement the party "succeeded to a greater or lesser extent in influencing the real content of policy in a way that benefitted the working class and the broad mass of the people."

The congress is expected to approve a large number of statements, including statements on peace and arms reduction, the women's struggle, the environmental struggle and "repelling the right wing."

There will also be an election to fill vacancies on the party board. One of those who is leaving is vice chairman Eivor Marklund of Kiruna, former member of Riksdag, and there have been early indications that this post could be contested.

Stockholm DAGENS NYHETER in Swedish 7 Jan 85 p 4

[Review by Daniel Tarschys of doctoral thesis "Kommunism pa Svenska? SKP/VPK efter Komintern" (Swedish-Style Communism? Swedish CP/VPK after the Comintern) by Jorgen Hermansson, Acta Universitatis Uppsaliensis/Almqvist & Wiksell, n.d.]

[Text] "The Soviet Union is the true homeland of the working class." With these words the 1928 Comintern program loftily expressed the idea of proletarian internationalism. At the same time it imposed a heavy burden on its member parties who have had to struggle ever since with the task of demonstrating their national reliability.

Internationalism was deeply rooted in the labor movement. It had suffered a sharp defeat when Social Democratic members of parliament voted for war credits in 1914. Consistent internationalists gathered for the so-called Zimmerwald International which was the embryo of the Communist International (Comintern) of the period between the wars. Then patriotism was still a term of contempt, smacking of reaction, chauvinism and punch-bowl toasts to the fatherland.

But the mood would change. When Stalin swept the old revolutionary guard out of the way and speeded up the big Soviet class circulation, national symbols started to be honored once more. During World War II everything Russian folk tradition had to offer was mobilized. Religion was permitted again and all the folk heroes in Russian history were called up for active war service.

Communists in other countries also started to dress in folk costumes. The "patriotic front" would be the bulwark against fascism and nazism. Opposition to revisionists and capitalists ceased and instead an effort was made to achieve a broad coalition. In Sweden the communists were willing to share government power not only with the Social Democrats but also with the Liberals and the Farmers' League.

However the new line created credibility problems. Sweden's communist party had been a section of the Communist International. How could loyalty to the Moscow-led world movement be balanced against the new patriotism? Uppsala political scientist Jorgen Hermansson has investigated how the Swedish party struggled with this dilemma in a penetrating doctoral dissertation entitled "Swedish-Style Communism? Swedish CP/VPK after the Comintern."

Before the Comintern was disbanded in 1943 communist strategy had swung back and forth. At first there was great hostility toward revisionism and an effort was made to establish revolutionary purity in the movement. A softer, more cooperative line followed in the mid-1920's and later on came a tougher period. At the end of the 1920's the Social Democrats were branded as social fascists and lackeys of imperialism.

In the mid-1930's there was agitation for a "popular front" instead. Then came the brief era when the Swedish CP cautiously aligned itself with nazism. During this period the Swedish communists backed the Soviet Union against Finland and were also sympathetic to the German occupation of Norway.

Thus the Swedish CP was dragging a somewhat heavy load behind it when it tried to acquire a more national profile after the war. A party that as late as the 1930's had a "Soviet Sweden" in its program was now trying to show its Swedish national colors. The new people's democracies stood out as models. Here there were examples of countries that were oriented toward socialism while preserving a multiparty system.

Jorgen Hermansson also shows how the "Swedish way" took many sharp turns. Under Linderot and Hagberg the party combined continued loyalty to the world movement with a persistent courtship of the Social Democrats. But the invitations to participate in leftist cooperation remained unanswered and the Swedish CP never had much success in the role of friendly pressure group within the labor movement.

For many younger people the oldfashioned party liturgy and the ties to Moscow were a burden. The group that took the helm in the 1960's (the "modernists") wanted to clean out the old rubbish and give the movement a more youthful emphasis. "Dictatorship of the proletariat" disappeared from the literature. Instead the new left's social criticism and orientation toward the Third World began to make a mark on the party.

"Modernism" was shortlived, however. Those of the new left who came into VPK soon developed in a Leninist direction, thus also hardening the party line. The revolutionary drumbeats could again be heard in the distance in the 1972 party program. According to Jorgen Hermansson VPK can still be described as neo-Leninist although the mood has softened somewhat from the 1970's to the 1980's.

The fact that the party is now standing solidly on its own ideological legs is one of the dissertation's main theses. There is no reason to dispute this. It is more difficult when Jorgen Hermansson asserts that communists have gone from an "empirical" to a "normative" view of socialism. While in the past they viewed the new society as a historic necessity, it is now more a matter of political evaluations, in his opinion. Socialism is no longer justified with developmental theory arguments but with moral ones.

But is this true? Moral arguments for socialism were not lacking in the labor movement in the past! It is true that Marxists felt they had history on their side but what gave fire to the involvement was still social indignation. The moral dynamite in Marxism was the doctrine of labor value which proved that workers are subject to permanent exploitation and impoverishment.

Empirical theories are all very well--but they do not start revolutions. It was not any anemic philosophy of history that gathered people behind the red

banner either in Russia or in Sweden, but personal experience of poverty and injustice, coupled with dreams of a better future.

What would happen to democracy in the VPK's Sweden? Jorgen Hermansson makes no predictions but he shows clearly what contradictory elements are contained in the party's ideology. In addition to strong and honest hopes for extensive freedoms for citizens and a broad democratic participation, the communist ideological tradition also contains a conspiratorial, authoritarian and dictatorial strain.

Today's VPK members appear to be dedicated democrats. But the chance democracy has of surviving in a socialist Sweden is another story. On this point historical experience is quite clear. Socialist revolutions everywhere have led to economic chaos and in this chaos democratic ideas have always been pushed aside. When society threatens to collapse the dictatorial principles that are also lying dormant in the communist tradition are activated and that is the end of many of the freedoms the communists profess before the transition to socialism. Or to put it another way, it is only under capitalism that communists have a chance to be democrats.

"The Soviet Union was the big example and model that should not be copied as far as Sweden is concerned," Jorgen Hermansson writes. In that paradox VPK is still searching for its Swedish road to socialism.

6578

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MILITARY

DENMARK

#### OFFICER CITES SHORTCOMINGS IN PLANNING, MATERIEL

Copenhagen AKTUELT in Danish 24 Nov 84 p 13

[Article by Major Jens Jorn Graabaek: "Danish Defense Must Change Strategy"]

[Text] Do not believe that the effectiveness of our defense depends on whether we list 12, 13, or 15 billion tax kroner for it annually! Do not imagine either that the effectiveness of our defense depends on whether there are 50,000 or 200,000 armed men!

From the civilian way of life, we observe the speedy technological and developmental transformation of our society. This development can also be found in the development of new weapons and defense systems that will completely change the defense of other countries.

#### New Tactics

The question is whether we turn our Defense Force into a children's service by untraditionally not making use of everything new. If we adopt the consequences of technology into our defense, we are at the same time forced to change our tactics. But we cannot afford to both maintain old fashioned tactics with large warships and advanced defense in the Baltic and at the same time invest in new defense equipment. Defense Minister Hans Engell (Conservative Party) himself has said that the society cannot afford huge investments in war materiel if it at a later date comes to light that we bought the wrong and obsolete equipment.

#### Without Protection

The army lacks air defense (missiles) against air attack to an alarming degree. The army has in fact been almost totally without air protection during the last 6 years because all funds had to be used to pay off the very advanced but expensive F-16 aircraft. Now we have good aircraft but no arms for them except, of course, iron bombs.

If we buy the new advanced equipment, tactics have to be changed and it will require a changed division of key elements among the services. Will the Navy accept that in the interest of all defense? So far, it has caused an

outcry within the Defense Forces because they have not received their submarines and the naval officers have initiated an attack to oust Major Jens Jorn Graabaek because he has by writing publicly and extensively tried to call the taxpayers' attention to wrong investments that all the defense services, and thereby the whole community, will in his opinion be guilty of.

Just now, Defense has just paid most of its arms contracts. The expensive F-16 aircraft are paid for; the same applies to the Navy's destroyer escorts, missiles and torpedo boats; but soon new advanced materiel will emerge that will tie the defense budget down for many years to come.

9583

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MILITARY

DENMARK

# CONSERVATIVE MP OLE BERNT HENRIKSEN TO HEAD HOME GUARD

Named by Defense Minister

Copenhagen BERLINGSKE TIDENDE in Danish 27 Nov 84 p 3

[Article by Svend Bie: "Top Position to Conservative Politician: Home Guard Chief Found"]

[Text] The Conservative Member of Parliament Ole Bernt Henriksen will today be appointed to the post of chief of the Home Guard. He will therefore leave his position on the Radio Council as well as the position of spokesman for the foreign and marketing policies.

Defense Minister Hans Engell will today appoint his colleague in the Conservative parliamentary group, Ole Bernt Henriksen, to head the Home Guard.

The appointment for the post of the highest ranking civilian will be submitted at the ministerial meeting today but the BERLINGSKE TIDENDE has learnt that the decision has actually been reached.

It was not Henriksen's own idea to seek the post that pays 360,000 kroner annually. It was revealed to the BERLINGSKE TIDENDE that several centrally placed ministers had encouraged him to seek the position which now for the first time will be held by a non-Social Democrat.

Ole Bernt Henriksen does not want to comment on the appointment but states that an appointment would mean that he would relinquish his private business, his position on the Radio Council and the position as chairman of the foreign and marketing policies.

He will, however, continue as a member of the Folketing "as long as Aarhus 3rd Ward will elect me."

Whoever is picked for this position must be a member of the Folketing. That best secures the connection between the Folketing and the Home Guard," says Ole Bernt Henriksen.

SDP Newspaper Comments

Copenhagen AKTUELT in Danish 29 Nov 84 p 8

[Editorial: "New Home Guard Chief"]

[Text] Conservative Party Member of the Folketing Ole Bernt Henriksen has become the new "civilian chief" of the Home Guard which is a very important position. He is in a way the civilian head for the 78,000 Home Guard service people who constitute a considerable part of Denmark's defense.

Ole Bernt Henriksen will maintain the current course and at the same time he will improve the outside contacts. Since the Home Guard was established after the war there have been two chiefs: Frode Jakobsen and Poul Sogard. During a period when Sogard functioned as a defense minister, Knud Damgard was a "deputy" but Sogard returned. It is an issue that can be discussed within the Social Democratic Party whether it was correct of Sogard to give up the position just now. He felt he had served his defense duty and stated that he considered it quite likely that the government would appoint another Social Democrat to the position, especially with the goal of creating broad cross-political understanding for the Home Guard.

The government did not want a Social Democrat in the position and this was the government's decision, but one cannot help but wonder why a good chance of maintaining a tradition that has functioned so well has been broken. This is crucial for the Home Guard in order to obtain a "broad" spectrum and the fact that a Social Democrat has held a position in this area of defense has helped in securing the broad understanding.

Typically, the government was supposed to be able to avoid this situation.

9583

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MILITARY

FINLAND

AIR FORCE CONTEMPLATES MEANS TO CONTINUE DOMESTIC PLANE INDUSTRY

Helsinki UUSI SUOMI in Finnish 18 Dec 84 p 8

[Article by Jukka Knuuti: "Aircraft Industry Only Now Being Considered"]

[Text] Finnair, Valmet, and the defense forces will convene in January to deliberate methods by which the domestic aircraft industry can be continued.

The basis of the discussion will be the report of the so-called Raade Committee from a year ago, in which the establishment of a new "aviation industry company" was recommended.

In addition to Valmet, the company would also include Finnair and possibly other companies. The Raade Committee proposed that the operations of the new company would include "the maintenance, repair, and modification of aircraft as well as the manufacture of new aircraft".

Even though an end to the aircraft industry seems to be looming quite close with respect to the manufacture of new aircraft, the matter has not been treated with a great degree of urgency. The first joint negotiating session of Finnair, Valmet, and the defense forces will be convened more than a year after the above-mentioned report was made public.

According to General Manager Gunnar Korhonen of Finnair, the possibilities of obtaining subcontracts in the aircraft industry from elsewhere in the world have been studied so far.

Inquiries regarding them have been made according to him. Some of them would be suitable for Finnair and some would be suitable for Valmet. But, on the other hand, there are no opportunities in Finland for the manufacture of new aircraft after the Turbovinha, the successor to the Vinka, which is now being manufactured, says Korhonen.

According to him, at this time neither has any consideration been given whether the primary responsibility for the aircraft industry will be transferred from Valmet to Finnair, as was proposed by the Raade Committee.

## Carbon Fiber Wing for Turbovinha

Work at Valmet's aircraft plant is, however, decreasing at a rapid rate. The series of 30 Vinka training aircraft for the Finnish Air Force has been completed for some time already. Sale of the aircraft has not been successful elsewhere and not much hope can be placed on a couple offers made on the world market.

Valmet has continued the construction of the Turbovinha training aircraft developed from the Vinka as its own expense. Outwardly the new aircraft differs from the Vinka primarily in the fact that it has a retractable landing gear. A change that is at least as significant is the adoption of a turboprop as the power source, which perceptibly increases the speed of the aircraft.

Work on the Turbovinha is also being accomplished in the light weight structural engineering laboratory of the Technical College in Espoo's Otaneimi. A fiber-glass wing is being developed for the Turbovinha. The wing constructed of carbon fiber will, however, for the most part be used only in strength tests. A conventional metal structure wing will be installed on the prototype.

### Is The Turbovinha Needed?

The future of the carbon fiber wing, which will be ready by the end of this year, will, naturally, be tied to the fate of the Turbovinha itself, for which prospects are not very bright at this time. It has been announced at Valmet's Kuorevesi Plant that the project has remained on schedule, which would mean a maiden flight in 1985.

There are no buyers for the Turbovinha at this time, but Air Force Commander Lieutenant General Rauno Merio has previously stated that the Air Force will have a need for approximately 10 Turbovinhas.

Hawk training destroyers are still being assembled for the Air Force at Valmet's Kuorevesi Plant. The last aircraft of the series assembled in Finland, number 46, will be completed in September of next year. Indeed, there will be sufficient work for a few years in the modification of used Draken destroyer aircraft from Sweden to meet the specifications of the Finnish Air Force.

### Parts to USA?

Valmet is also expecting something to transpire from the counter purchase agreements contained in Finnair's purchases of various aircraft from the United States. In an interview published in KAUPPALEHTI a while back, Jack E. Utley, who is responsible for McDonnell-Douglas's counter purchases, promised after his visit to Finland that Valmet will certainly be able to deliver parts for the MD-80, the successor to the DC-9, as well as for the DC-10, both of which Finnair is using.

The ventures are, however, still in the initial stages so that the matter is known at Valmet only as a news item read from the newspapers.

10576

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MILITARY

FINLAND

AIR FORCE GETTING ADDITIONAL MIG-21 ALL WEATHER FIGHTERS

Helsinki HELSINGIN SANOMAT in Finnish 22 Dec 84 p 11

[Article: "More MiGs and Missiles from USSR"]

[Text] The Karjala [Karelian] Flight Detachment in Rissala will be reinforced with new Soviet MiG-21 Bis jet fighters. The Council of State made a decision on ordering the aircraft and other additional equipment on Friday.

The orders are based on this year's last supplementary budget approved on Friday. In addition to the MiGs, armored transport vehicles as well as an additional shipment of missiles for the anti-aircraft missile equipment already in place will be delivered from the Soviet Union, state sources in the Defense Ministry. Details of the Council of State's decision were declared secret.

A full 139 million markkaa were allocated for basic procurements in the supplementary budget. About 120 million markkaa of this amount will be used for procurements from the Soviet Union.

The new MiG destroyers will supplement corresponding equipment already in use in Finland. In question are single-seat, all-weather interceptor aircraft. The earliest version of the MiG-21 flew for the first time in 1955, and Finland acquired the first MiG-21 F in 1963. A maintenance system has been developed for the aircraft, which is also compatible for use on the MiG-21 Bis version, explains the Defense Ministry.

This aircraft can achieve a speed of more than twice the speed of sound. Its normal combat equipment includes a gun, rockets, bombs, and missiles. In Finland the aircraft is used for surveillance of airspace and patrolling under all weather conditions.

According to international practice, the Defense Ministry will not announce the exact number of aircraft now being procured any more than the number of aircraft already in the country. In addition to the MiGs, the Air Force has English Hawk training aircraft and Swedish Draken destroyer aircraft.

#### Coast Guard Cutter from Rauma-Repola

Rauma-Repola's Uusikaupunki Shipyard is building a new sea-going patrol boat for the Coast Guard. The procurement contract was signed on Friday. The vessel will be delivered in 1986 and will cost 35.5 million markkaa.

The vessel will become a Coast Guard ship in the open sea. The ship will be equipped with equipment needed for the surveillance of submarines as well as with equipment for sea rescue operations, fire fighting, and towing.

The length of this open-sea patrol boat will be 49 meters, its width 10 meters, and its displacement will be approximately 700 tons.

10576

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MILITARY

FINLAND

SKDL BACKS CONVENING DEFENSE COMMISSION

Helsinki HUFVUDSTADSBLADET in Swedish 7 Jan 85 p 9

[Article by FNB: "SKDL Says Defense Commission Needed"]

[Text] SKDL [Finnish People's Democratic League] believes that the proposal for a broadly based defense commission is now of more current interest than previously, in view of President Koivisto's New Year speech and the episode in northern Finland at the beginning of the year.

These events give greater weight to SKDL's previous proposal that a defense commission should be established, stated the league's board of directors on Wednesday.

In December the SKDL said that it does not desire to establish a fourth parliamentary defense commission which would concentrate on appropriation questions. Instead the Foreign Ministry should appoint a security policy committee which would expressly have the task to discuss the changes which the development of nuclear weapon strategy and nuclear technology have brought to Finland's defense policy and which conclusions should be drawn therefrom.

The directors of SKDL said on Wednesday that the understanding between Foreign Ministers Andrey Gromyko and George Shultz was an encouraging sign of an improvement in great power relations. Finland should actively work to influence the progress of negotiations on its own initiative, according to SKDL.

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MILITARY

FINLAND

# COASTAL ARTILLERY FORCE TO TOUGHEN SURVEILLANCE AGAINST SUBS

Helsinki UUSI SUOMI in Finnish 16 Dec 84 pp 15-16

[Article by Jukka Knuuti: "Effectiveness of Naval Surveillance Being Verified"]

[Text] When a foreign ship approaches the border of Finland's territorial waters from outside normal channels, it never comes by surprise. If an observer in a coastal fortress has not seen it because of fog, for example, a blip on the video screen of a radar unit will identify the intruder with a number.

A look-out cannot see an intruder any more than can a radar unit if it is moving under the surface of the water. Nevertheless, the intruder is known. A gunner listening to the sound of a propeller has already recorded the sound on tape and has reported the observation.

Each Finnish coastal fortress represents a surveillance totality. The surrounding sea area is under 24-hour radar, optical, and underwater surveillance.

The system is based on the objective established in 1971 by the First Parliamentary Defense Committee. According to it, the mouth of the Gulf of Finland and the Baltic Sea must be placed under continuous radar surveillance. In addition, the most important sea channels and harbors must be included in the sphere of underwater surveillance according to the committee, says Lieutenant Colonel Asko Kilpinen, commander of the Hango Coastal Artillery Battery.

An effective sea surveillance is not accomplished quickly. We are only now achieving that level which the politicians established for the military 13 years ago. The Finns now have at their disposal a primarily domestically developed and manufactured system, which is one of the best by anyone's standards, emphasizes Kilpinen.

Two Submarines Sightings in Finland

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Finland's coastal waters have been idyllically peaceful at the same time that one submarine search after another has been conducted in Sweden.

Indeed, a similar incident occurred in Finland also in 1982. At that time, a violation of Finnish territory by a submarine was confirmed in the Aland Archipelago. The Coast Guard located the submarine on the basis of sonar observation. A warning bomb was dropped after that as a signal of the fact that the intruder was observed. This was sufficient. The vessel took a straight path out of our territorial waters.

"In another probable but unconfirmed incident in the same area at the same time warning bombs were also most likely used," recalls Kilpinen. But these are probably the only incidents in his 22-year career.

And he is not at all disturbed by the fact that the vast majority of the public does not believe the official explanation that submarines are not intruding into our territory as they are in Sweden. "There are always all kinds of stories and rumors. It was once even said that foreign aircraft can fly as they want in Finnish airspace.

#### Around the Clock Surveillance

It is difficult for a foreign vessel to enter Finnish territorial waters without being observed even if it so attempted. There is a 24-hour watch by the human eye on the sea from the towers of fortresses along the long Finnish coast. And in some respects the human eye cannot be replaced by any kind of electronics. For example, no technical device can see an emergency night flare, but a lookout will report it immediately.

When the observation ability of the human eye decreases in the dark, the responsibility is transferred to radar units, whose antennas also turn in the daytime. The islands and the mainland as well as the territorial water border are visible on the radar screen as if on a map.

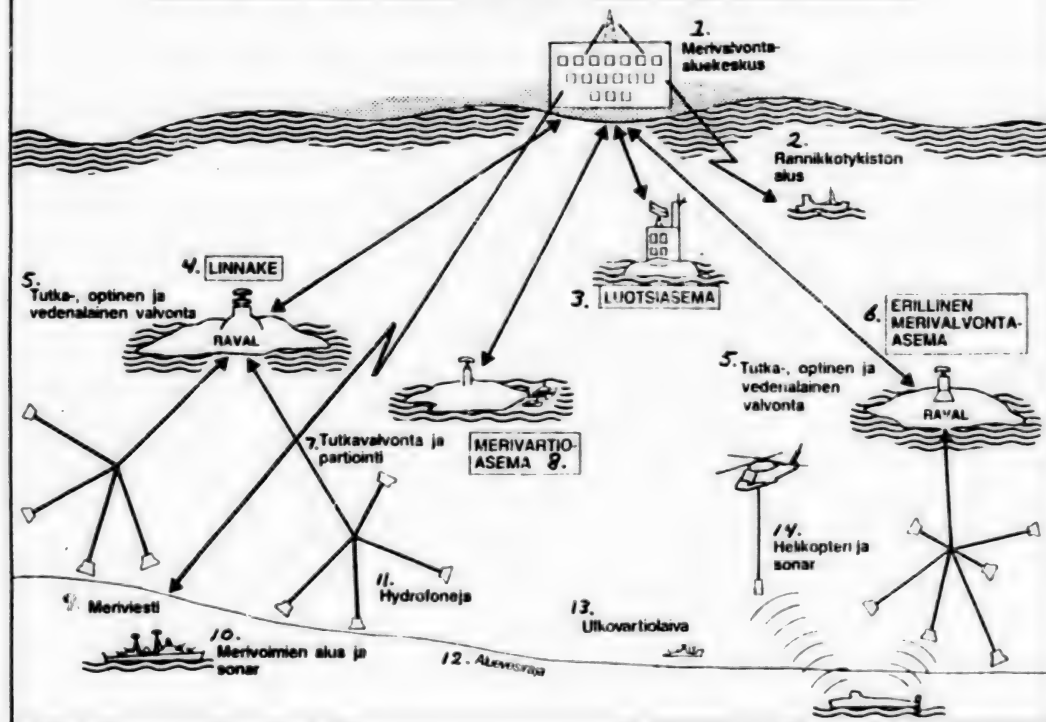
Certain "targets", ships at sea, are placed under observation on this round electronic map. Particular interest is given to vessels which would seem to be approaching the limit of our territorial waters. A square is drawn on the screen around the blip representing such a vessel and it is assigned a sequence number. A line extending from a corner of square shows the radar operator the direction and speed of the vessel.

#### Radar + Laser = RAVAL

If the target seems to be "interesting", it is then most likely tied into RAVAL for further observation. Thus, this automated surveillance and firing computer of the coastal artillery begins to follow the target. It simultaneously relays its data to the radar screen and a printer connected to a computer terminal. The printer prints out times and the coordinates of the vessel's location. The margin of the printout also includes a notation of when the vessel possibly entered territorial waters.

The most recent "territorial violation" report was dated 1 December at the Hangö Sea Surveillance Center. At that time, "the unidentified vessel, apparently a fishing boat, did not, however, cross the territorial limit.

### Näin toimii paikallisen tason merivalvontajärjestelmä



Above chart shows how sea surveillance system functions at local level.

#### Key:

- |   |                                      |
|---|--------------------------------------|
| 1. Area Center for Naval Surveillance         | 7. Radar surveillance and patrolling |
| 2. Coastal artillery ship                     | 8. Naval Guard Station               |
| 3. Pilot Station                              | 9. Naval communications              |
| 4. Fortress                                   | 10. Naval ship and sonar             |
| 5. Radar, optical and underwater surveillance | 11. Hydrophones                      |
| 6. Separate Naval Surveillance                | 12. Territorial water border         |
|   | 13. Patrol boat                      |
|   | 14. Helicopter and sonar             |

Except for the sonar listening device transported by helicopter, the above system is already in operation. Each coastal fortress has a 24-hour radar, optical, and underwater surveillance system. In addition to this, there are separate surveillance stations. Underwater surveillance is accomplished with hydrophones placed at the bottom of the sea. The events of the diagram are centered on the proximity of the separate surveillance station on the right side. The sonar system was detected a submarine moving in international waters. Since the vessel is so close to the territorial limit that there is reason to suspect the possibility of a violation, a helicopter has also been dispatched to the site. It lowers a sonar device into the water. In addition, approaching from the left is a naval vessel, which can continue active underwater surveillance since the helicopter will soon have to return for refueling.

RAVAL represents the latest in Finnish surveillance and defense automation. In peacetime it is concentrated on automation. It includes radar units and in the event of necessity underwater surveillance equipment also.

If necessary, it can also be used to guide lost ships to safety. Only a few weeks ago, a helicopter was directed by means of RAVAl's communications to the deck of a Finnjet vessel to pick up victims of an accident.

But in times of crisis a laser range finder would also be directed at a target under RAVAl's surveillance. If necessary, the location coordinates of a ship under surveillance would immediately be converted into firing azimuths for an artillery battery.

#### Suspicious Objects Are Investigated

Sometimes a foreign vessel will circle in the vicinity of the territorial limit being careful to remain in international waters. In such a case, a Coast Guard cutter, of which there are always several at sea, is alerted and sent to investigate.

A foreign vessel behaving in an exceptional manner may be testing the accuracy and the reaction capacity of Finland's surveillance system.

In the same manner that the military aircraft of various countries approach Finland from the Baltic Sea while flying over international waters to test our air surveillance, our naval surveillance is also tested. The radar observation of the start of a fighter plane leaving on a reconnaissance and identification flight is already sufficient as a reaction of air surveillance. Correspondingly, the approach of a Coast Guard cutter tells the foreign vessel that our naval surveillance is functioning. However, reaction times are longer at sea. While pilots talk about seconds and minutes, at sea the time stretches into a half hour or an hour.

If violations of territorial waters occur, the majority of the incidents involves civilian ships, emphasizes Lieutenant Colonel Kilpinen. And generally the reason is either ignorance or an insufficient command of maritime skills.

Violations committed by military ships, on the other hand, are extremely rare. Naval ships have such good navigational equipment that they do not go astray. A typical violation committed by a military ship may occur, for example, when a squadron arriving for a naval visit takes a short cut over a territorial water border extending into international waters, in the vicinity of Porkkala, for example. This short cut is recorded and it is made known to the guests approaching the harbor.

#### A Submarine Makes A Hissing Sound

As this article is being read, a group of young recruits is sitting in some stone and concrete bunker in a coastal fortress with earphones on their heads listening to what is being transmitted by sonar equipment and hydrophones. Frequently, one can hear the steady beat of a ship's diesel or the rattle of

a trawler as it lowers its nets. But the listener's ears perk up if he begins to hear a "hissing sound". This means that somewhere a submarine is moving under the surface. It comes silently since electric motors are used to turn the propeller instead of a diesel engine.

If a hissing sound is heard, a tape recorder is turned on to record even the smallest sound produced from this underwater movement. Later the tapes are carefully analyzed even though it is not customary to conjecture on the nationality of the vessel, emphasizes Kilpinen. Guessing the nationality of a submarine would, in his opinion, be completely unproductive.

#### The Most in March

Indeed, hydrophones placed at the bottom of the sea transmit the hissing sound of several submarines from international waters over a year's time. "The most in March when the ice-covered water is cold and of even temperature. Sound carries the best under such conditions. Sound carries the least under water when the salt content and temperature fluctuate because of the movement of the water," says Sergeant Veli-Matti Pullinen. Therefore, there are fewer observations of submarines in the summer. There have not been very many this fall either. Esa Rantaniemi, who does 2-hour shifts in the listening room of Russaro Fortress, has not had the occasion to observe even one submarine during his 2-month tour of duty.

Only one out of every five is accepted for the job of listening to underwater sounds, says Captain Mauri Ranta, chief of the Russaro Fortress.

Earphones can be placed only on those who have perfect hearing. In addition, one must also have an ear for music and rhythm. Also a rather heavy dose of patience is needed. An impatient recruit would not be able to sit in a windowless room for 2-hour shifts listening to mostly monotonous sounds.

In this sense submarine surveillance is simple in that each observation tells of a foreign vessel. The Paris Peace Treaty prohibits Finland from having submarines. However, they would be needed if for nothing other than training recruits to listen for underwater sounds. Now it is necessary to learn the sounds of a submarine from sound tapes.

#### Propeller Defect Observed by Listening

Water transmits all kinds of sounds. A few years ago one of the fortresses fixed its attention on the fact that the sounds of a vessel in the service of a certain Finnish transport line were different on its return trip. The matter was reported to the ship's captain, who only stated apathetically that it was not their concern. But the shipping company, at least, was satisfied. The information about the altered sound disclosed that the ship's propeller had become damaged while travelling through ice. The warning provided by means of underwater listening prevented more serious damage, which could have been caused by the continued use of a defective propeller.

As routine as water listening or surveillance is, it is one of those things in which even the most sophisticated microprocessor cannot replace the human ear. Even in the navies of the super powers the most accurate surveillance is accomplished by earphones on the human ear.

#### Helicopters Improve Effectiveness

The hydrophone is a passive instrument. It only transmits sounds heard under water. Indeed, haphazard conclusions regarding the "location of a target" can be made on the basis of the location of a hydrophone, but active instruments are needed for an actual search. Such sonar devices transmit a beeping sound, which is reflected from a submarine, for example. The sound returning from a target tells where and how far away the "target" is.

Equipment for active searching can be found on naval as well as Coast Guard ships and will apparently be installed on medium-weight helicopters being procured by the Border Patrol.

Large areas cannot be covered by this equipment, but they will be needed when a search of an already observed submarine is to be conducted.

An active search is, however, difficult even with good equipment in waters of the type found in the Baltic Sea. There is no one any wiser in Finland than anywhere else, emphasizes Lieutenant Colonel Kilpinen in referring to the unproductive submarine hunts conducted by the Swedes.

#### Better Coverage Than in Sweden

In his opinion, the Finns have, however, conducted the surveillance of their territorial waters with greater coverage than the Swedes. Fortunately, it is easier. The width of our territorial waters is 4 nautical miles while Sweden has much more area to cover since its territorial limit is 12 nautical miles. And even though the military vessels of all the Baltic Sea states sail on the Gulf of Finland, the traffic is, however, much less frequent than on the Baltic Sea along the Swedish coast.

In addition, the area extending to the south from the islands near Stockholm along the Swedish coast is deep and devoid of any protective islands, which also provides submarines with opportunities to move about in such an area. In Finland's territorial waters, on the other hand, there are very few areas with depths of several dozen meters necessary for the conventional submarine, emphasizes Kilpinen.

#### A Return to Surveillance Through the Senses in Sweden

Finland's coastal surveillance functions with greater coverage than does that of its neighbor to the west. The Finns have retained human lookouts in the towers of their fortresses, for example, all through the period of technical development, but the Swedes have replaced eyes with automated radar stations. Now even they have admitted their error and are once again manning vacant guard stations.

Finland's coastal surveillance is functioning quite satisfactorily in Kilpinen's opinion especially after sonar equipment capable of conducting active searches have been put into operation.

After that, the problems of sea surveillance will no longer be technical but will become questions of personnel policy. More personnel are needed for the maintenance and care of equipment. The troubles of sea surveillance are the same as elsewhere in the military. Personnel shortages do not, however, affect the ability to carry out surveillance. But if continuous long-term surveillance is needed, then we will suddenly be faced with a personnel shortage, says Lieutenant Colonel Asko Kilpinen, commander of the Hango Coastal Artillery Battery.

10576

CSO: 3617/52

MILITARY

GREECE

# ARMED FORCES RESHUFFLE: NEED FOR POLITICAL CALM SEEN

Athens I KATHIMERINI in Greek 22 Dec 84 p 5

[Excerpts] There are certain areas and sectors of public life and the state's structure (and infrastructure) that are exceedingly sensitive because of their nature and because of their fundamental importance to the very existence of the nation as well as to lawful order and the institutional fabric of the country.

It would be needless to emphasize that these areas include, in addition to the judicial power, the Armed Forces. The reason for and the object of this editorial is the clamor that was raised about the changes in command and promotions and retirements of top-ranking officers of the Armed Forces that took place recently during the routine annual evaluations.

We wish to emphasize from the beginning that the observations that are set forth below are objective as concerns "opposition" or "governmental" prejudice or any party preference or opposition.

First of all, we will make--for the nth time--a distinction between legality and purpose. As long as the government of the country acts within the framework of the constitution and the law, it has the right to effect changes, promotions, retirements and postings in the ranks of the Armed Forces. Consequently, there is no question as regards the legality of the recent changes. Subject to criticism is the--total or partial--purpose of these changes. In our opinion, and based on the facts at our disposal, some of the changes (retirements and promotions) were both due to age limits and opportune (according to the criteria we mentioned at the beginning of this editorial), while others were not (or not as much).

Our reservations or objections are limited to certain promotions and retirements in the Army. Our concern is that simultaneously with certain promotions that were absolutely proper, based on criteria of qualifications of those promoted and retirements that were based on age limits, some of the officers were retired who would still be of service to the Army because of their talents and other qualifications, while others were promoted who did not have the talents or even the seniority when compared to the former. We are also afraid that the retirements and promotions of this last category were not made on the basis of merit, but rather because of favors or disfavor engendered by party or personality criteria. We emphasize that this is the first time during the past 3 years that

we have expressed criticism or reservations with regard to retirements, promotions or other changes in the high command level of the Armed Forces. We reiterate that this criticism of ours is totally disassociated from any party or political preferences or purposes.

After having expressed these views, we will state that whatever reservations we have about the purpose as expressed above do not justify either the extent or--most of all--the tone of the clamor raised from certain corners, which somehow forget that by making the Armed Forces a field or object of political antagonisms, either to make an impression or for some other reasons, are sawing off the branch on which all of us are perched. This branch is democracy and the institutional structure.

We are afraid that "here" and "there" there are circles that learned nothing and forgot nothing from the postures and methods of a not so distant past that contributed to the machinations that ended in the April calamity, who fail to see that the involvements of the Armed Services of the nation in political and partisan confrontations or their conversion into a praetorian guard in the end will lead to the impairment of their loyalty to anyone and their becoming antonomous agents who will do away with both those who wished to draw them to their side for their "own advantage" or "against others." The experiences connected with them are still fresh and--alas!--very painful.

To the wise, then, there is little to be said...

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MILITARY

GREECE

ND PROTESTS REPORTED MARXIST INFLUENCE IN ARMED FORCES

Athens I KATHIMERINI in Greek 19 Jan 85 p 1

/Text/ Young conscripts are presently being indoctrinated with anti-war ideas and anti-war slogans with the result that an atmosphere has been created that strikes at the fighting condition of the armed forces. At the same time, the promotion to the higher ranks of the military of officers who had been involved in activities outside the military --such as the officers of the ASPIDA /Officers, Save the Fatherland, Ideals of Democracy and Meritocracy/, those who deplored the Air Force trials or those who opposed the dictatorship-- has probably created the impression among permanent military cadres that their careers are helped when they do not devote themselves exclusively to their military duties. This was the substance of the argument that ND deputies put forward at yesterday's parliamentary meeting in the Chamber of Deputies at which time this interpellation was discussed.

In their interpellation to the Ministry of National Defense, ND Deputies P. Panourgias, A. Balkos, S. Gikas, A. Papandongonas, A. Pavlidis, Kh. Fotopoulos, I. Stathopoulos and P. Khatzinikolaou maintained that the government is tolerating the dissemination of widespread Marxist and subversive propaganda in the military where the role of ELAS /National People's Liberation Army/ is hailed while the operations of the national armed forces during the 1948-1949 period are ignored. As Mr P. Panourgias stressed, Mr And. Drosogiannis, the present alternate minister of national defense, was himself an armed forces officer at that time.

The ND deputies also stressed the corrosive efforts of military "democratization" organizations such as KEED /Movement for the Democratization of the Armed Forces/ which have been described and criticized by a PASOK official, according to Mr A. Papadongonas. At the same time, they noted the many cases of disobedience by the military to military decisions even to Ministry of National Defense decisions.

Attempting to refute the deputies' arguments, Alternate Minister of National Defense And. Drosogiannis simply observed that the GEETHA /National Defense General Staff/ discipline indicators have shown a clear drop during the period of 1980-1983.

Nevertheless, Mr K. Stefanopoulos, ND parliamentary representative, observed that "it is pleasing to see that on the basis of the indicators discipline in the military is being consolidated but the cases of subordination that the ND deputies mentioned constitute acts of corrosive political content and are dangerous as such."

The ND deputies also voiced strong criticism over the widespread retirements in the ground forces that are being conducted on the basis of party criteria and on the basis of proposals of party branch organizations, with the result that very qualified officers are being cast aside. Specifically, Mr Panourgias noted that during the special high-ranking officer promotion and retirement process, the GES /Army General Staff/ chief, the army and ASDEN /Higher Military Command for the Interior and the Islands/ commanders, as well as the administrative leadership of the National Defense School were retired.

Mr Drosogiannis maintained that the retirement of a large number of high-ranking officers was necessary because the timidity of previous ND governments on this issue had created the need for "decongesting the military promotion lists." At the same time, he suggested that the changes in the leadership of the military are not taking place on the basis of party criteria because the high-ranking officers being retired had been promoted by the PASOK government.

Mr K. Stefanopoulos, ND parliamentary spokesman, rebutting the arguments of the alternate minister of national defense, observed that "no one disagrees with the attempt to decongest the military promotion lists but the question is to what extent those promoted are better than those retired."

Finally, Mr Stefanopoulos noted that Mr Drosogiannis does not have the right to maintain that the ND deputies who spoke about the armed forces are engaging in dangerous talk "because no one has charged the government that the army is being dismantled."

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MILITARY

SWEDEN

BILDT ATTACKS PALME FOR NEUTRALITY SUPPORT STATEMENT

Stockholm SVENSKA DAGBLADET in Swedish 19 Dec 84 p 2

[Article by Conservative MP Carl Bildt]

[Text] Perhaps the most important task a prime minister has in a difficult security policy situation is to unify the nation--he should never divide it.

Unifying the nation gives it strength to deal with the outside world. Dividing it weakens the nation's resistance to foreign pressure and efforts at intervention.

That is why the reaction to Prime Minister Palme's statements in HUFVUDSTADS-BLADET was as strong as it actually was. There were echoes of the astonishment and bitterness over the disregard of national values and Nordic interests displayed in his statements outside Sweden's borders.

Of course Olof Palme is bitter that in recent years there has been criticism, especially from the Conservatives, of the way he and his foreign minister have handled foreign and security policy issues. And naturally his bitterness has also been nourished by an inner awareness that to a large extent the criticism has been correct.

Different opinions have been expressed in the more lively debate in recent years on various security policy issues. This is natural due to our changed situation and the repeated violations Sweden has encountered. This lively debate has been and is a necessary part of the security policy reaction pattern that is designed to show the outside world that our policy is a serious one.

But this kind of debate must be conducted with a common awareness of what it is that unites us. If it creates foreign expectations or anxieties that Sweden's main security policy line will be altered, there is a risk that the outside world will think that there is more leeway for various maneuvers and pressures in the Nordic region. One power may feel it necessary to forestall the other. The expectations and anxieties worsen an instability that in the long run could affect all the Nordic countries.

Such risks also existed in the 1970's. Then the Social Democrats seemed to be dominated by forces that were trying to change our main security policy line through a progressive weakening of our military defense system. That created both expectations and anxieties in other countries. We are living with the effects of this today.

Now the risks are different. While on foreign soil the prime minister chose to create uncertainty about the continuity of Sweden's neutrality efforts.

Election tactics are obviously the reason for this. The prime minister is seeking controversy partly because he thinks it will benefit his party and partly because he personally has a well-documented talent in that direction.

He has done this after a long period during which various observers thought they could detect a decrease in the disagreements on security policy. The Social Democratic Party congress changed its attitude toward defense, which played a central role in this process. We Conservatives have preferred to win people over rather than set traps when various parts of the government's policy have been looked into during the last half year.

Now the prime minister has broken this development with his statement. This was undoubtedly done intentionally. The responsibility for what happened is his alone, there can be no question about that.

In the past the Soviet media has charged for several years that there are "circles" in Sweden who threaten Sweden's neutrality policy, among other things by criticizing Soviet policy toward Sweden. And on some occasions they have also criticized Prime Minister Palme and the government for not dealing with these "circles."

Now Sweden's prime minister is also beginning to talk about "circles" and "elements" that are undermining the conditions for the neutrality policy. His choice of words seems to have been copied directly from IZVESTIA or KRASNAYA ZVEZDA.

Of course this is being carefully noted elsewhere. It certainly raises expectations of further changes in position. And it is highly probable that it is seen as a success for a certain pattern when it comes to attempts to influence Sweden's behavior and policy.

On the other hand it is unlikely that the prime minister's statements will cause any decisive damage to faith in the continuity of our neutrality policy. The state of things as far as this issue is concerned must be well-known in Moscow and Washington--not to mention Helsinki.

The prime minister's latest statement on the subject seems to be characterized by some confusion.

In a TT wire he says that he "has no idea where the Conservatives stand on security policy." If we ignore the question of how he can then say that the Conservative policy is so wrong, it can only be noted that such a statement

cannot be explained in terms of illiteracy or deafness. The only explanation left is confusion.

In the same dispatch the prime minister said that Sweden's security policy situation has not changed in the last 100 years, in other words since the late 19th century. Such a statement must be raising eyebrows, especially in Oslo and Helsinki. And some old ghosts must be turning in their graves in Berlin.

Here too the only possible explanation is confusion.

And when he tried to stir things up again with a little piece in yesterday's AFTONBLADET, that too left an impression of confusion. Maybe he knows that he went too far, that a number of discerning people are trying to quell him, that reaction abroad has been negative, but all that makes it even more urgent to cast as many doubts as possible and choose his words skilfully in an effort to prove that he was right.

Sweden needs a security policy that has firm national roots and a clear national orientation. Such a policy is formed and rooted through a free and open debate that includes such central security issues as our interpretation of the conduct of other nations toward us. But it requires mutual prudence when it comes to the national support for neutrality, which should not be jeopardized.

Prime Minister Palme's exploits as troublemaker certainly do not benefit these efforts.

He has every reason to consider carefully the words with which the biggest daily paper in the Nordic region, the independent HELSINGIN SANOMAT in Helsinki, ended its editorial on this subject:

"If Finland and its policy are worth studying, according to Palme, he himself ought to look into the dangers involved if foreign policy is used as a domestic policy argument. It is hardly worth it, even for the sake of the election, to jeopardize Sweden's obviously solid national agreement on neutrality."

6578

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MILITARY

SWEDEN

# WEAKENING OF DEFENSE FORCES HURTS FELLOW NORDICS

Stockholm DAGENS NYHETER in Swedish 20 Dec 84 p 2

[Commentary by Axel Waldemarson]

[Text] "Naturally the negotiations were not so good-natured, but in the intervals the mood was lighter. In the break after a deliberation that worried Swedish Foreign Minister Osten Unden a great deal we diverted ourselves by singing a few lines from the song, 'Girls of Smaland,' the ones that go: 'And you turn inquiringly to have the riddle solved, turn in bewilderment to West and to East.' Unden laughed and the rest of us enjoyed ourselves." (Einar Gerhardsen in his description of the mood at the Scandinavian defense talks in Karlstad in 1949 in his book, "Recollections, 1945-55.")

In the early 1960's the well-known American journalist John Gunther looked back at the Scandinavian countries before World War II. They seemed like "an untroubled cove outside the eddies of European politics, undisturbed by events as they devoted themselves to their own sensible, healthy and fruitful development."

It certainly was something of an idyll. But in the middle of it the Nordic countries gradually lost their faith in collective security and turned toward neutrality. In July 1938 they took the whole step in NF [expansion unknown].

With that Swedish Social Democrats also freed themselves from the decrees of the international organization. Foreign Minister Sandler's response to the decreed boycott of goods from Nazi Germany is well-known:

"I have little respect for the decisions of the international organization and in this case its decision displays lack of judgment."

To a joint meeting of the SDP's executive committee and national secretariat Per Albin Hansson noted in November 1933:

"We have never accepted the International's decisions unquestioningly."

In the ruling labor parties in Denmark and Norway there was no enthusiasm for a defense that would make neutrality credible. It took time in Sweden before the change took place. Divided and negative toward defense policy there was no chance to make a vigorous effort; neutrality appeared to be an incantation against all evils.

As always in the Nordic context time ran out for a joint effort.

Norway chose NATO because neutrality put to its true test did not provide adequate protection.

Based on different premises Sweden's preference was for a strong defense as the foundation for neutrality.

### Stability

For 3 decades the Nordic pattern has contributed to stability and reduced tensions in our part of the world. That is why the term "Nordic balance" was coined, an epithet for better or for worse. The idea leads naturally to a planned solution, when in fact it really involves the occasionally strange logic of a random effect.

Today the balance and the stability are not the same as they were earlier. What many people repressed but harsh reality taught us was the grim truth that our five countries have been and still are front-line states. In terms of military policy the Nordic region is one of the most important strategic areas in the world--the Belts and Oresund in the south, the North Cape and the waters north of it, the Norwegian Sea and the so-called GIUK [Greenland-Iceland-United Kingdom] gap from Greenland over Iceland to England, the Kola peninsula with its military buildup and the Baltic Sea in the middle of everything.

How can diminished tension and stability be encouraged?

### Simple Conclusion

Of course it is not just up to us. However we cannot renounce our responsibility. The methodology should be clear. Verbal excesses just create smokescreens that are easy to see through and that mean nothing as far as security policy is concerned. No alliance lasts forever, of course, but it is sufficient to plan for the future we can envision.

It is not so strange that the security policy debate in Finland (after the Kekkonen era) and in Sweden (after the U-137 incident) is characterized to a great extent by a dazed quality. People woke up suddenly after everyone had been napping. But there are reasons for opening our eyes wide. People in Finland used to be irritated by the fact that we in Sweden always knew what was best for our neighbor to the east. One can read some malicious joy between the lines--sometimes not so discreetly concealed--when we read similar advice to us in the Finnish press today.

However the main point is that we in Sweden felt confidence in Finland's way of taking care of its interests. Shouldn't those in Helsinki have the same confidence in Sweden?

Naturally as an undisputed component of security policy Sweden is an important asset as far as Finland is concerned. But that is true for the rest of the Nordic region as well. The good thing in this context is that through steps we determine ourselves we can benefit security in the whole Nordic region.

During the cold war period in the 1950's unallied Sweden's defense system--especially its strong air force--constituted the "padlock of the Nordic balance," if we may be allowed to put it like that.

I still think the Military Science Academy formulated the piece de resistance of our security policy with cool clarity a few years ago when it said in these words:

"Finland's status and integrity depend among other things on the belief of the Soviet Union that the western bloc does not have and could not easily gain access to Swedish territory, in other words that Sweden is capable of preserving neutrality with its own forces. The defenses of Norway and Sweden [as published] are based partly on the assumption that the eastern bloc cannot use Swedish areas for belligerent actions against them."

Flimsy

The erosion of our defense has made the security policy lock much too flimsy and thus a temptation to those who might want to force it open.

The conclusion is very simple--the lock must be strengthened.

What is involved is a unilateral Swedish decision that will at the same time benefit security policy in our part of the world. A stronger Swedish defense would not cause any shifts at all in the other components in the balance. It would be hard to find a more natural and more flexible instrument for peace.

6578

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MILITARY

SWEDEN

PAPER DISCUSSES DEBATE ON SECURITY POLICY

Stockholm DAGENS NYHETER in Swedish 21 Dec 84 p 2

[Editorial: ""The Security Policy Dispute"]

[Text] Agreement on foreign policy used to be regarded as very valuable in Sweden. We hope that this is still true. But it is becoming increasingly difficult to talk about this agreement. If the debate between the Social Democrats and the Conservatives continues in the same style as we are seeing now when the election campaign starts up next fall, it will be impossible.

After having suggested in his controversial interview in Finland's HUFVUD-STADSBLADET that a new nonsocialist government could not be reliable as far as neutrality policy is concerned, Olof Palme has continued to attack the Conservatives; in AFTONBLADET a few days ago and on the morning news on Thursday.

The debate, which has its roots in the conflict in the 1950's between then Prime Minister Tage Erlander and Conservative leader Jarl Hjalmarson, should profit from the effort to make distinctions, to clarify the things that really divide us and those that unite us. Here one could wish that the prime minister, with his special responsibility for Sweden's external image, would provide a good example.

It is distressing that Palme is not making any convincing efforts in that direction. "Of course one must rejoice that the Conservatives are now outwardly acknowledging the traditional neutrality policy," he wrote in AFTONBLADET. But the wording does not indicate that the prime minister is counting on Conservative support for the neutrality policy itself. This seems more like a prelude to new allegations and accusations.

On the morning news Palme followed up by saying we should be able to have a debate on foreign policy, but then referred indignantly to the Conservatives' "invective" and "buffoonery." The next thing the prime minister said was that he thought the Conservatives had been "throwing their weight around." In an earlier parliamentary debate he felt the climate had been totally poisoned and that the security policy debate in the Conservative Party had caused a deep confidence gap—a gap he doubted could be bridged.

In his arguments the prime minister drifts between attacks on him and his office and what might be regarded as more fundamental Conservative positions. He selects fresh examples from the Conservative Party leadership, the youth group, the Free Conservative Student League and the Conservative papers.

The Conservative Party leadership cannot pretend to be blameless with regard to everything that has been said against Palme's policy, of course. Ulf Adelsohn himself made the remark that it "greatly damaged the country"; Carl Bildt said Soviet parade tanks were "embraced," etc. And the prime minister has good reason to ask why the Conservative leadership has not reacted to many outbursts from its own ranks.

The Conservatives always say that they are solidly in favor of the neutrality policy--and Olof Palme really should accept what they say as far as that goes. There is nothing to indicate that the Conservative goal is different from that of the other democratic parties. The party does not demand that we join NATO, but asserts that the goal is to keep Sweden neutral in the event of war elsewhere in the world.

The problem is that one can try to achieve this goal in somewhat different ways. If we talk about security policy instead of neutrality policy the Conservatives cannot really claim that they are in total agreement with the other parties.

Here it is easy to see the extreme alternatives. In Finland President Koivisto is alleged to have made another of his strange remarks about submarine incursions in Swedish waters; why should he make any attempt to discuss where minisubmarines might be heading? More interesting is the report that according to Koivisto the Soviet Union had worded its submarine denial to him like a vote of confidence. With its historical background Finland must believe Soviet statements on the basis of an overall assessment of Soviet security problems. Sweden tries to form its policy in such a way that it is in the Soviets' own interest to keep us out of a war.

The question scarcely arises for Swedish Conservatives. When one tries to add up what different spokesmen and party bodies say one finds an almost monumental lack of interest in efforts to have good relations with the Soviet Union. A warlike young Conservative generation is quick to attack governments in which the party is not represented on the grounds of weakness and compliance; it was this kind of thing that drove Thorbjorn Falldin to make a bitter counterattack after the last election.

When it comes to the security policy means for achieving neutrality, the Conservatives constantly contribute to disagreement. Here the nonsocialists have a problem ahead of them in the event of a government changeover next year. But the prime minister has no reason to blow differences on Swedish foreign policy into a dispute on the goal of neutrality time after time.

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ECONOMIC

EUROPEAN AFFAIRS

ECONOMIES OF NORDIC COUNTRIES EXPECTED TO DO WELL IN 1985

Helsinki HUFVUDSTADSBLADET in Swedish 7 Jan 85 p 11

[Article by David G. Hotton: "Good Economic Outlook for Nordic Countries"]

[Text] The 1985 economic outlook for the Nordic countries appears promising, since world trade has begun to show signs of more prolonged growth. However the economic growth is not expected to be as good as in 1984. The average GNP for the Scandinavian region is estimated to grow by 3 percent in 1985, compared with 3.7 percent in 1984 and 2.7 percent in 1983. These figures clearly exceed the figures for most European countries, where the average growth in 1985 is expected to stop at 2.1 - 2.3 percent. In Finland, Denmark, Sweden and Norway the year will probably be marked by lively economic activity, similar to 1978 and 1979.

Export oriented countries and their currencies are without doubt going to be strong. The reason is that their industrial production is growing, and the most progressive sectors are functioning at full capacity. Export increases, and thereby the import of capital. Financial authorities can therefore concentrate on creating a better economic balance and improving the basis for reaching their long range goals.

Long range economic goals are difficult to identify. What happens when we are "there"? And furthermore where is "there"? Actually the goals vary very little within the region, and "there" expressed in economic terms can be considered the time when real growth corresponds to the currency's growth, when the budget is balanced, when the public expenditures make up only a small part of GNP and the rate of inflation is zero, in other words complete price stability.

The picture of the Nordic region is not, however, entirely perfect. There are problems. Inflation is still higher than it is in competing countries, and rapidly rising labor costs constitute a continuing threat to the competitive ability of every Nordic country.

Sweden and Palme's Social Democratic Government are still burdened with the large deficit in the national budget, and the structural problems which arise from it will probably complicate economic policies for many years in the future. Although last year they came a little way toward a balanced trade exchange, Sweden still faces the difficult task of reducing the mountain of foreign debts which have accumulated during recent years.

The central administration's growing deficit will therefore continue to have great influence on the development of the Swedish money market. In order to increase the possibilities for the state to borrow money, a number of new borrowing methods have been introduced. At the same time the Swedish financial authorities are forced by the budget deficit to follow a restrictive credit policy in order to hold inflation pressure under control. At the same time that creates preconditions for a more positive exchange balance.

The National Bank of Sweden defends raising the interest rate last summer with the fact that the amount of currency which was streaming out of the country was significant. Only if world interest rates overall decline, with the United States in the lead, is a lower interest rate in Sweden possible.

Parallel with the Federal Reserve Board of the United States clearly going in for transferring the focal point away from reducing interest rates, and with the election in Sweden this year, it is probable that in Stockholm they will introduce a careful policy striving to gradually soften up the interest rate. The Swedish krona can be expected to be a bit weaker than the currencies of neighboring countries', with a selling rate of 0.725-0.737 against the Finnish mark.

In Denmark economic growth was rapid during 1984, and the GNP will probably increase by 4 percent or more. Industrial investments are expected to increase by 25-30 percent. The year 1984 brought with it an enormous upswing. But most economists expect that the upswing will gradually level off. The outlook for 1985 indicates that the economy, and consequently also the Danish krone, will not have such a flourishing period as previously.

Meanwhile Denmark, which has the same problem of foreign debts as Sweden, has followed a similar line of restructuring. They are in the process of rapidly refinancing their debts at lower cost. Since the currency reserves are growing, the kingdom is currently not a large borrower. The total borrowing for the previous year was about 3 billion dollars, of which about 2 billion dollars was used for refinancing debts at a lower cost. The previously so worrisome Danish foreign debt appears now to be under control.

The rate of exchange of the Danish krone is expected to fluctuate from 0.575-0.587 against the Finnish mark during the first 6 months, while many economic observers are going to keep an eye on how the country's exports develop.

Despite its particularly favorable balance of exchange, Norway carried out two small camouflaged devaluations last year in order to avoid a reduction of

the competitive ability of its onshore industries abroad. Since July 1984 the value of the Norwegian krone has declined by about 4.5 percent.

Norway, which is stimulated by the growing oil and gas production from the North Sea, is rapidly gaining a special position in the economic arena of the Nordic countries. Norway's surplus of exchange balance corresponds to almost 6 percent of GNP. Furthermore Norway has the strongest cash reserve position of all the industrial countries (in relation to imports), and therefore stands on the threshold of becoming an important capital exporter.

Demand for the Norwegian krone is increasing abroad. Norway is therefore confronting the question of how to subdue the undesirable influx of capital. This situation has caused the government to abolish many of its exchange regulations in the hope of spurring Norwegian businesses and financial institutions to establish themselves abroad. Investments abroad would help to balance the one-sided capital flow.

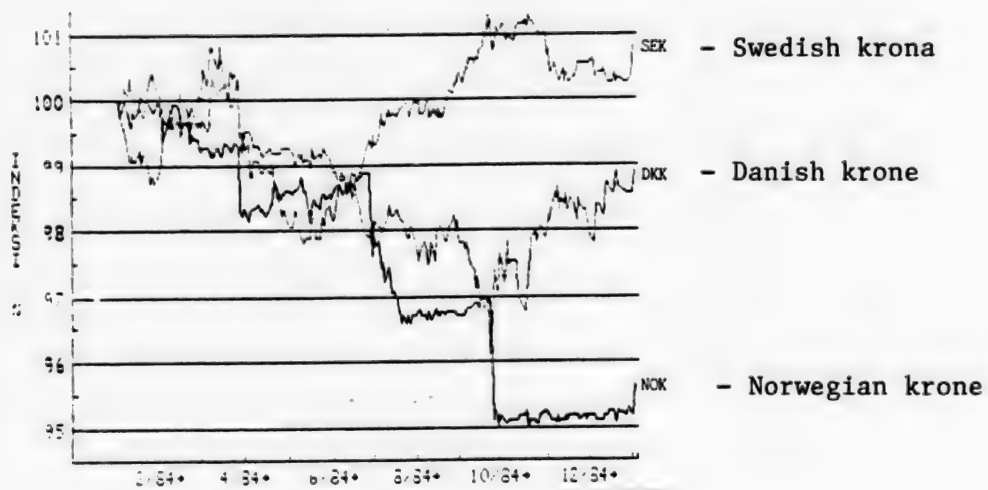
Consequently it is expected that the Norwegian krone will remain stable during all of 1985, with an exchange rate of 0.720-0.732 against the Finnish mark. Since Norway will have an election this year, however, one can not entirely exclude the possibility that the Norwegian authorities will again adjust the Norwegian krone in order to maintain industry's competitive ability.

The growing economic strength of the Nordic countries has recently come to be recognized in several connections on the international capital markets, where the countries were for a long time welcome borrowers.

In a recent transaction Sweden acquired 200 million dollars by selling short term public notes, and even succeeded in getting better terms than when the banks themselves try to borrow on the money markets.

Finland has, by relinquishing the standby credits which were arranged by the Bank of Finland, demonstrated confidence in good economic prospects. The credits were intended to protect the country from fluctuations in the cash reserves and payment balances. During the current circumstances such protection is no longer necessary.

Finland's currency reserves have quadrupled during the past year to 18 billion Finnish marks. This was due to strongly expanded exports and a high interest level. Since the Bank of Finland maintains a strict currency policy in order to subdue inflationary pressures during the current economic upswing, the Finnish mark should continue to be stable during all of 1985.



Caption: Development of exchange rates - 2 January 1984 to 2 January 1985

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ECONOMIC

FRANCE

INDUSTRY MINISTER CRESSON ON MODERNIZATION GOALS

Paris LE MONDE in French 25 Dec 84 p 18

[Article by Edith Cresson, minister of industrial modernization and foreign trade: "The Four Pillars of Industrial Policy"]

[Text] In the mid-eighties, the establishment of an industrial policy faces two constraints: the persistence of the economic crisis on the one hand and technological transformation on the other. To meet this dual challenge, it is necessary to rethink the nature of competitiveness.

The persistence of the economic crisis manifests itself in low growth rates and the continuation of a high level of underemployment. These two characteristics reflect, basically, the absence of a vigorous resurgence in investments. The present crisis is one of profitability and not of underconsumption. One result of this is that Keynesian methods have lost a great deal of their effectiveness. Also, added to this central cause is a tendency toward saturation of need in the area of durable consumer goods which were the driving forces of the "30 glorious years" just experienced.

Technological transformation is introducing new and extremely compelling forces. On the one hand, it spreads very quickly throughout the world. Furthermore, for the first time in European history, its origin is external: Japan and the United States. Europe is behind. On the other hand, it constitutes a break with the past tendency in that technological progress is manifesting itself this time in a movement which substitutes the machine for the brain and not for the arms. Finally, it is developing during a period of economic crisis, that is to say that it constitutes an additional factor exacerbating international competition. Thus, slippage in technological advancement can intensify difficulties resulting from the economic slump. Compounded, these two movements may marginalize the French economy. The current stakes for industrial policy are therefore very high.

The responses of the seventies have not been satisfactory. The breach strategy adopted during the last 7-year period led to de-industrialization and not to an upsurge in investments. Streamlining of industry was confused with amputation or surrender to foreign control. Foreign investment did not follow the logic of reinforcing industrial competitiveness, but, in most cases, an external growth strategy for businesses corresponding to a

phenomenon of concentration at the international level which should not be confused with a revitalization of capital. On the domestic level, we ended up with a comic strip situation: underqualified immigrant laborers working with imported equipment. On the whole, our internationalization attempt--which is necessary--led to the entry of the French economy into the world economy in a role of subordination, of subcontracting and domestic dualism.

The priority placed on the conquest of our domestic market, which followed the above orientation, was justified by a desire to slow down this movement toward dependency and by the goal of combatting unemployment. But it underestimated the constraints resulting from the strong integration of the French economy into the world economy, which cannot be reduced to the simplistic notion of "external constraints" expressed in the current stabilization of the balance. The result was a deterioration of exchange and a mobilization of resources in sectors of inevitable decline where employment--with very low qualifications--is irremediably doomed because of competition with modern industries. Furthermore, it is difficult to give assistance to troubled businesses while simultaneously supporting new industries. It is therefore essential to choose the route of a truly modern industrial policy.

#### Favor European Partners

Bearing in mind the analysis which has been very systematically carried out, it seems that French industrial policy should rest on four main pillars.

First, against the very strong competition of American and Japanese companies in the world market, favor industrial alliance with European partners. Only a European industry has the size needed to counter the push, already being very concretely felt, of the large American and Japanese firms in the advanced technology industries and also in those that are in trouble. Only we must move quickly, for the alliances between large established groups are multiplying. We will also have to persuade our European industrial partners, which will be no easy task.

In fact, while the presence of non-European groups is intensifying, alliances between European companies are standing still. The only joint projects which have been successful were achieved through the strong intervention of the administrations of the countries of the EEC. Should this orientation fail, there would be nothing to do but to turn to American and Japanese companies. The first steps in that direction may have the effect of accelerating the desired intra-European movement....

#### Importance of Decentralization

Secondly, decentralization is the best way to introduce the transformation away from Taylorism and the movement to a new organization of work relationships at the small business unit level. Automation and flexible shops tend to make the advantages of large size obsolete.

Thirdly, give priority to investments in gray matter. Continued training (continued education), retraining, research grants, priority support to

high-tech industries... constitute several necessary anchoring points where state intervention is indispensable. Advanced technology industries are not developing anywhere without decisive support from the state, with all due respect to the neoliberals....

Fourthly, lay the groundwork for a new approach to international competitiveness. The key to success in foreign markets rests in a multidimensional, integrated approach. The relationship between quality and cost obviously will continue to be a necessary condition for commercial success, but it is no longer sufficient. More and more, trade will have to be supported by simultaneous operations of direct investment, financial support structures and technical assistance. The combination of these various modalities into complex systems necessitating close cooperation of multiple operators of different and complementary trades and competences constitutes the competitiveness factor. This course of action rests on the renewal of the idea of working in concert. But, from now on, this needs to be perceived at the microeconomic level and no longer just at the level of cooperative planning which would again become the precise framework for determining the major options in industrial policy. The modern concept of competitiveness is based on coordination, the synergy of the various participants--administrations, industries, services, engineering, banks universities--to effect solid programs and not just abstract reflections.

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ECONOMIC

GREECE

'ERRONEOUS' POLICIES SEEN FOSTERING PARALLEL ECONOMY

Athens I KATHIMERINI in Greek 20-21 Jan 85 p 9

/Editorial: "This is Called.....Restructuring"/

/Text/ Automobile imports reveal a very interesting change in the marketplace: Sales of smaller cheaper models are decreasing while more expensive ones are increasing. Confusion also prevails as to the jobs held by many of the buyers in this latter category of means of transportation. Also similar comments as to the source of income of their customers are being made by builders of luxury apartments or country homes.

What could such developments indicate in our consumer scene? Very simply that the parallel economy is gaining ground and that the "businessmen" whom the tax claw does not know or has not caught are growing in number. And this is occurring at a time when government officials of the Ministry of Finance are boasting over the effective drive against tax evasion, over the continuous --and voluminous-- increase in the healthy revenues of the state budget!

It would be completely outside the realm of common logic if these were not exactly the consequences of the policy of "change" being followed by the government:

When the real --small or large-- business venture is being hit in two ways: First of all, its being criticized as being socially accountable since it supports the "exploitation of man by man." Secondly, through hampering the acquisition of sufficient profits --that would also yield sufficient taxes--because these profits allegedly add to the inflation rate without their being reinvested in a genuine productive capacity.

When state, public or "socialized" enterprises are "provided with a dowry" by the government and party organizations which, in essence, manage them, with freedom of management in the name of some secret proceedings that would speed up and consolidate.....socialist change.

When the legitimate salaries of professional, administrative and business personnel are continuously cut back because their "downward" levelling out, toward the pay levels of unskilled personnel constitutes one of the "persuasive equalities" that socialism restores (after the natural equality that was restored by Christianity and after the legal equality restored by the French Revolution).

When trade, that the state sector took over so that it might also become a "licenced dealer" since it did so well as a "planner-programmer" and "industrialist," exercises illegal competition to corresponding private enterprises.

When the above and much more, all equally inspired, make up the economic policy being exercised, the one destined to "straighten out" the economy and to "enrich" its public content, it would have been outside the realm of every logical consequence if a substantial change in the consumer public and consumer preference noted by car importers and employers had not taken place.

Those workers, who had hoped for participation in the wealth of modern civilization because the economy would have been guided in a manner capable of reconciling income and purchasing power, are gradually disappearing. Growing in number are those who take their speculative pursuits "into the shade," favored by the fact that the "socialist" government is absorbed in hunting those who operate in the "light." "Carelessness" is encouraged because --as was the case in the older most repugnant times-- pleading by party elements reassures "the careless ones" over the possible consequences of their acts.

So, a large number of "invisible businessmen" have emerged --indeed, how quickly-- with big incomes earned so easily so that with the same ease they could spend 3, 4 or 5 million drachmas for the purchase of one automobile or many dozens of millions of drachmas for the purchase of luxury apartments or country homes. Salaried workers no longer have the possibility of making purchases while the tax-audited rich do not make the foolish mistake of making disclosures.

5671

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ECONOMIC

SWEDEN

#### DEVALUATION, STRONG DOLLAR BEHIND INDUSTRY EXPORT SURGE

Duesseldorf WIRTSCHAFTSWOCHE in German 7 Dec 84 pp 136-140

[Text] Even managers can make mistakes. However, in this case, Percy Barnevik, chairman of the board of directors at the Swedish Metal Company Sandvik, is not unhappy because his prediction was wrong. The 46-year-old upstart in the Swedish industry predicted at the beginning of the year that Sandvik would make a profit this year of "at least 500 million kronor". He missed by a long shot. By the middle of the year Sandvik had already almost reached its self-imposed profit goal. It will be of about 800 million kronor by the end of the year.

Sandvik is not an isolated case on the Swedish industrial scene. Almost all groups in this nordic state report profit explosions (see chart). Be it paper, cars, roller bearings, or pharmaceuticals -- products from the far north are sought worldwide.

The industrialists owe this boom to a great extent to a social-democrat -- Olof Palme. His first official act, two years ago when he returned to the chair of prime minister after a six-year civilian interlude, was a 16 percent devaluation of the Swedish krona. Products "made in Sweden" became competitive by this cut -- the krona had already been depressed by 10 percent a year earlier.

And the Swedes are dependent upon business outside their national boundaries like almost no other industrial nation. The dependence on world markets is clearly revealed in the turnover of business from abroad among the leading big companies. Nine out of every 10 kronor earned by the compressed air technology company Atlas Copco come from abroad. Electrolux has foreign business amounting to 72 percent, Ericsson 79 percent, Saab-Scania 62 percent, SKF more than 80 percent, Asea 69 percent, and Volvo more than 80 percent.

It was a lucky thing for the Swedes who count heavily on export that, added to the devaluation, the world markets also experienced a revitalization. And something else helped the north Europeans: the strong dollar. No wonder, exports primarily to the USA shot up strongly: they increased by about 50 percent in the first half of the year. The posh cars of Saab-Scania and Volvo are very much sought after in the American business world. In the meantime, Saab sells more cars on the other side of the big pond than in Sweden.

Even Volvo's heavy trucks are seen more and more on the highways. Volvo roughly estimates that sales of trucks in the USA will double this year. Competitor SAAB-Scania doesn't want to remain in the shadows any more in this area. Sales of Scania-Brummis in the USA should start in the course of the next year.

Saab-Scania has enough money for such ventures - and not only for this one. SAAB-Scania's boss Georg Karnsund expects a record profit of 2.6 billion kronor this year. It would have been higher yet if the costs for the start of production of the new Saab 9000 and the Saab-Fairchild Model 340 airplane had not occurred.

Volvo has worries. To wit, company president Pehr G. Gyllenhammar does not know what to do with all the money. The 1983 record profit - almost 4 billion kronor - will double again this year. To all this surplus almost 1.5 billion kronor will be added to the Volvo tills from the sale to the Wallenberg Group of its interests in Atlas Copco, Stora Kopparberg, and Sonesson. Gyllenhammar says, "We are considering very carefully how the surplus can be invested."

Scandinavia's most powerful industrial employer first became rich in the USA. It increased its share from 32 to 50 percent in the small but nimble Hamilton Oil Corp. It's cost: 78 million dollars. Other Swedish companies are also trying to get rid of their kronor by buying into other firms or buying them outright. The latest case: the electrical company Electrolux bought into the competing Italian Zanussi firm, which was sickly. They put down DM 340 million for a 49 percent share, and they transferred DM 60 million to the Zanussi family.

Atlas Copco made a strike in Germany. At the beginning of the year it acquired the gas- and processing-compressor division in Cologne from Linde AG and made it its subsidiary under the name of Atlas Copco Energas GmbH. Linde wanted to get out of this area. However, Atlas Copco president Tom Wachtmeister is enthusiastic: "This is a great future market."

Bo Berggren, who is the director responsible for the paper and cellulose company Stora Kopparberg, also talks about superlatives: "Only size counts in the wood industry." So Stora Kopparberg (expected yearly profit: 1 billion kronor) bought the smaller competitor Billerud and thereby became Sweden's largest paper concern ahead of the previous leader in the field Svenska Cellulosa Aktiebolaget (SCA).

At SCA they have planned other things with the one billion Kronor which should be in the till by the end of the year. SCA is building a new newspaper plant for 1.2 billion kronor in Ortvisen in order to be more powerful against the North American competition.

In general, it seems that this latest boom has made the Swedes quite self-confident. Atlas Copco president Wachtmeister blows the trumpet for "new attacks" on world markets. Percy Barnevik whose chief occupation is chairman

# Boom in the North

Profits before taxes and rate increases of the leading Swedish industrial firms from January to June 1984

Firm	Field of Endeavor	Profit (in million Kronen)	Percentage changes compared to the same period of time last year
Asea	Electronics	976	+ 25
Atlas Copco	Mechanical Engineering	324**	+116
Elektrolux	Electrical Appliances	1230	+ 57
Ericsson	Telecommunications	928	+ 28
Pharmacia	Pharmaceutical Industry	439**	+ 22
Saab-Scania	Transportation	1440	+ 35
Sandvik	Metals	455	+107
SKF	Ball Bearings	855**	+123
Stora Kopparberg	Paper	799*	+364
Svenska Cellulosa (SCA)	Paper	949*	+ 89
Volvo	Cars/Energy	4620	+ 91

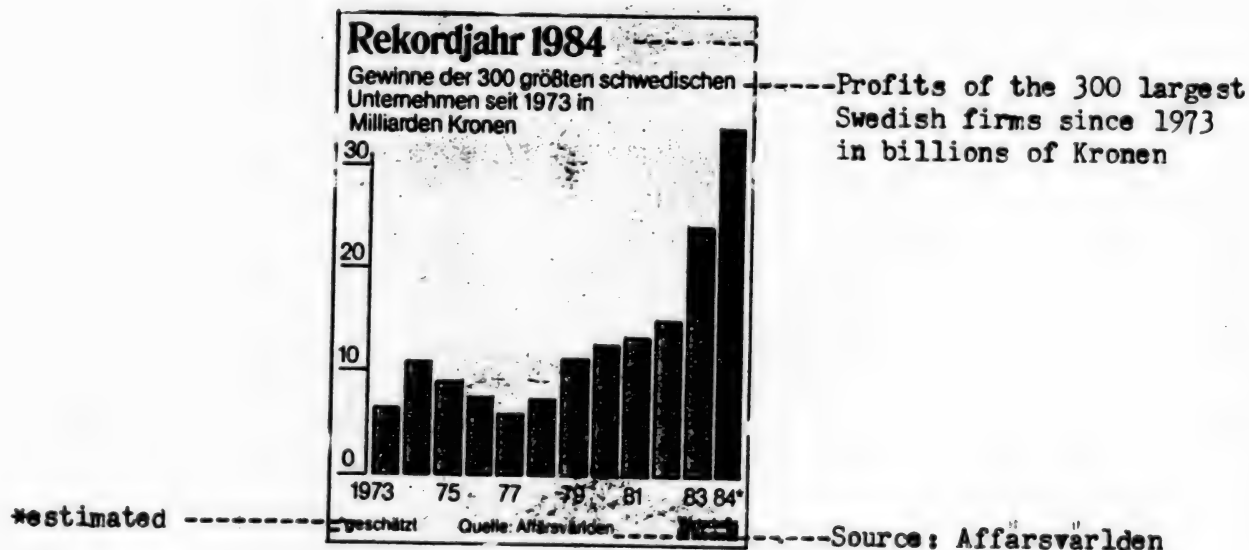
\* January - August

\*\* January - September

of the electronic company Asea, names as his "acknowledged goal: to strengthen its presence in international markets for time to come." The motto at Electrolux for the coming years is: "Strengthening of positions in Western Europe and in North America."

However, the economical soothsayers do not seem to share this optimism with the gentlemen of the big companies completely. The Swedish Reichsbank expects an export increase of no more than 3.5 percent in 1985, since it should probably be 7.5 percent this year. The Swedish Merchant Banks look at the coming year with even more pessimism. Their analyses calculated an export increase of only 3 percent in 1985. The economists in Sweden's second largest bank believe that the two devaluations only brought about a short-lived recovery for the Swedish economy. Their critical outlook for the future: "The current development shows that we are on the road to a new crisis." Swedish industrial circles do not want to believe this. There they are betting on next year's fall elections. They expect that, through a new election victory, the Social-Democrat Palme will reach for a tested method for promoting exports and for further increasing profits: a renewed devaluation of the Krona.

#### RECORD YEAR 1984



ECONOMIC

TURKEY

#### PROSPECTS FOR 1985 INDUSTRIAL PERFORMANCE ASSESSED

Istanbul DUNYA in Turkish 2 Jan 85 p 1

[Editorial in the column "Daily": "Hopes Pinned on Industry"]

[Text] Prime Minister Turgut Ozal had begun in the final weeks of last year to focus attention on the watch for signs of economic recovery. In his budget speech in the Assembly and at his last press conference of 1984, he had stressed rising consumption of cement and electricity and said there was some slight movement on the surface of agriculture. "However," the Prime Minister said, "We must control this or we may find ourselves with burdens impossible to get out from under."

This approach of Prime Minister Ozal's reflected the notion that it is necessary to put off for a few more years the rapid growth needed to bring even a little relief to the current high unemployment problem.

However, as the calendar turned to 1985, the prime minister's approach virtually changed nature. It gained optimism for the short term. There began to be talk of 1985 as a year in which the rate of development would be raised to new heights and in which production and investments would be increased.

Yet, after it had been announced that the growth rate for 1984 was going to be 5.7 percent, setting the growth rate at 5.5 percent for 1985 was an indication that controlling recovery in the economy was still a goal.

Were the economic goals for 1985, in fact, raised? Was there a thought that the patented IMF stabilization programs in practice since 1980 had in fact reached their limit and that new concepts were needed?

That seems to be the case, in that the performance of Turkish industry has already required extension of the 1985 goals. Industry, though it has not yet undertaken new investment projects, has taken irrefutable strides towards the renewal and expansion of investments. The utilization rates of existing capacity may have gone up in the meantime also.

This development may have come about despite industry's growing need for operating capital caused by the tight money policy and constant price hikes. Prime Minister Ozal attributes this development to the exchange rate policy, which he describes as "sound." "A sound exchange rate policy lies at the foundation of a healthy industry," he says and contends that if the foreign exchange rate remains sound, local production rather than importation will be encouraged and the import inflation about which there are always complaints will be reduced.

For development based on the local principle to occur in an industry based on the exchange rate policy the orderly flow of short-, medium- and long-term funds is necessary.

The capital market has lost its viability in Turkey. And there is no clear hope for it to become viable in the short term.

Also, the private sector's chances of competing in the near future in exportable securities against treasury bonds oriented to public financing are low. Under these circumstances, relieving the pressure on domestic demand is, in fact, on the agenda for 1985.

8349

CSO: 3554/65

ECONOMIC

TURKEY

PARAMETERS SET FOR RESOURCE USE SUPPORT FUND

Istanbul DUNYA in Turkish 2 Jan 85 pp 1, 7

[Text] Ankara (DUNYA) - The new system for state subsidy of exports, large-scale investments and selective credits has gone into effect through an expansion of the Interest Difference Rebate Fund. Accordingly, exporting firms will receive premiums of between 2 percent and 4 percent from a Resource Use Support Fund. For incentive investments of over 600 million liras, the rate will apply at between 7 percent and 20 percent of the portion realized of fixed investments. Credits will be subsidized by the state at rates ranging from 4 percent to 7 percent.

The Resource Use Support Fund will cover investments based on incentive certificates as of 14 October 1984, exports actually accomplished as of 1 January 1985 and future credits.

However, the Resource Use Support Fund will not benefit reexport and transit trade, export of used finished products or other production and investment activities to be decided by the office of incentives and implementation.

Exporting firms wishing to make use of the Resource Use Support Fund must apply through a bank to the Central Bank branch serving the province in which their headquarters or the headquarters of the business on whose behalf they manage exports is located as regards rediscount zones. These are designated as the Istanbul foreign exchange branch and the Ankara and Izmir branches.

The export support premium will be paid in the Turkish lira equivalent shown by the Central Bank foreign exchange purchase rate list on the date of record of the foreign exchange purchase document pertaining to the exportation in question and of the customs clearance declaration of the total net foreign exchange actually purchased. The support premium will not exceed the foreign exchange total entered on the customs clearance declaration of total net foreign exchange to be paid.

Investments of over 600 million liras will also benefit from the Resource Use Support Fund. The basis for determining the support premium on fixed investments whose project value exceeds 600 million liras is the portion realized of the customs-free fixed investment total, with no distinction between credit and net assets.

For investment projects in this category, a premium of between 7 percent and 20 percent will be paid from the fund.

For an investment premium to be paid on investments of less than 600 million liras, they must have incentive certificates, and credit contracts must have been concluded within the incentive period.

Subsidies from the Resource Use Support Fund will be paid to the exporting firms through the banks during export processing.

Support premiums on investment projects in excess of 600 million liras will be paid directly to the investment organizations, and investment credits related to projects below this amount and selective credits will be issued to the intermediary banks.

The fund will be a collection of the 7.5 percent extra levy that banks will charge on their credits, the 7.5 percent extra interest difference to be taken from interest on public sector credits, fines imposed on banks that fail to comply with the Central Bank's general cash reserve rule, sums transferred by the Treasury from the Selective Credit Fund and the Export Incentive Fund, and sums that the Money Credit Council will decide to transfer from the Support and Price Stability Fund, with the rest to be accumulated in the Interest Difference Rebate Fund.

#### Resource Use Support Fund

Support Premiums	Rate (%)
I. On net foreign exchange corresponding to accomplished exports	
A. On the export of goods to which Support and Price Stability Fund premiums apply	2
B. On the sale and delivery figures of exports with incentive certificates	4
C. On the export of other goods	4
II. On the portion realized of the fixed investment in incentive investments of 600 million liras and over	
A. In class-one priority development zones	20
B. In class-two priority development zones	15
C. On normal documentation	7
D. On non-priority development zone facilities whose change of location is deemed necessary by the relevant ministry	10
III. On Credits (based on repayment sum after interest)	
A. On investment credits with terms in excess of 2 years and a 2-year grace period for incentive fixed investments of less than 600 million liras	7
B. On short-, medium- and long-term selective credits (2-year grace period does not apply)	
a. On agricultural credits issued by the Ziraat Bank (excluding ag-industry credits)	4
b. On credits issued to small industrialists, tradesmen,	

businessmen and business organizations by the Halk Bank	5
c. On housing and building-savings credits issued by the Emlak Kredi Bank (excluding credits issued by the Public Housing Fund)	5

8349

CSO: 3554/65

ECONOMIC

TURKEY

## ASSESSMENT OF NEW VAT, IMPACT ON INVESTMENTS

Istanbul DUNYA in Turkish 7 Jan 85 p 5

[Article by Yurdakul Alpay: "A Look at VAT and Investments"]

[Text] The VAT, which stands to have an extraordinary impact on our national finances and economy as one of the most significant events in the history of the Republic, looks as though it is going to be one of the hottest topics of debate in 1985. Since budget deficits are considered a major cause of the on-going inflation in our country, a parallel may be drawn between the success of the VAT and the success of the general economic policies. There are many controversial aspects of this important a matter. In this article, we will first make a general assessment of the VAT and then attempt to ascertain its impact on investments.

### Background of Value Added Tax

The Value Added Tax is the newest of the expenditure taxes. Two major factors giving this tax its contemporary appeal are its simplicity of application and the fact that it has a minimum of negative effects on the economy compared to other taxes of its kind.

Considering that the expenditure taxes levied prior to the VAT, especially income taxes which are the most closely related to the economy, have such conflicting mechanisms -- in both the setting and implementation of them -- as the taxation of different sectors at different rates and the initial item deduction, and considering the continual vivacity and changeability of the economy as well, it is inevitable that such situations would arise as the jeopardizing of equal competition among the sectors inflicted by the public authority itself and the failure of certain sectors to realize their development potential. Looking at it from this standpoint, a transition to VAT amounts to a true revolution for our taxation system.

Because the VAT taxes sectors that occupy similar positions in the economy at the same rate and is a universal tax (all goods are taxed), it has the advantage, at least in substitution goods, of applying more nearly the same standards to all. That is, goods that are similarly processed become "equal before the tax."

The VAT also has positive aspects as regards exports. Income tax practices have usually made it impossible to eliminate the entire expenditure tax burden owing both to padding in the form of export of the taxes on the goods subject to this tax and the tax rebate mechanisms. With the VAT, however, nearly all of the

direct taxes on export goods can be eliminated through the channel of export exemptions. Thus a more reliable and objective practice will have been arrived at from the standpoint of getting rid of expenditure taxes on exported goods.

The VAT will have the effect of raising prices in the initial period of implementation. The price-hike effect may come about through either an increased tax burden on actual manufactures, the actualization of psychological expectations in the form of price increases or the impact on costs of the additional financing burden that may have to be added because of the tax. Despite these price increases which must be expected in the initial phase, it may also have a deflationary impact, depending on the degree of success and universality that can be achieved in implementation of the tax. This will be rooted in the VAT's revenue enhancing effect on the budget as well as the effective curtailment of demand.

In the form envisaged for implementation in our country, the VAT will have a disrupting effect on income distribution. The reason is that a single rate is envisaged for all spending groups, and other compensatory tax measures have not been taken with adequate effectiveness.

The ramifications of the VAT are something that requires priority attention. The widespread opinion is that this tax will not affect the producer or dealer and that these individuals will not have to bother with it. However, it may be said that this will not be the case in practice. The reverse may be true for goods in which demand brings a high price flexibility. Also, if the tax does have a negative impact on income distribution, the same may be said for goods on which demand brings a high income flexibility. That is, there will be a question of levying the tax on some industrialists or merchants as well as the consumer.

#### VAT and Investments

Goods and services sold for the purpose of investment also come under the Value Added Tax. The general sum of investment spending will rise owing to higher taxes on investment goods and services which prior to VAT had no or less direct taxes. However, although investment spending will increase, the real cost of investments (investment total) will not rise as much as spending and in all probability will be less than the nominal increase. The VAT impact on investment costs will be closely related to the mechanisms we shall explore below.

As known, an important feature of the VAT is its deduction mechanism. The VAT imposed owing to investment spending will be deducted from the VAT due at the processing stage. So, in each instance, whether the actual deduction of the tax will be possible and, if so, for how long will be a factor determining the VAT impact on real investment costs. In investments for which the State Planning Organization does not offer incentives, it has been made possible for the VAT paid on the investment to be deducted in five equal installments over 5 years. (The deduction in question here is in the sense that these sums will be transferred to the "deductible tax account" for deduction. The actual deduction will depend, of course, on the amount of taxes a business may owe.) In incentive investments, however, it has been made possible for the tax to be deducted immediately. In parallel to the existence of deduction possibilities, the total investment-raising impact of the tax will be less in incentive investments.

Businesses that already own an economic operation will be able to deduct the VAT they owe because of new investments from the taxes they owe during ongoing operating activities. The deduction possibility on completely new investments by juristic persons without other economic activities may be delayed, at least for such reasons as extension of the investment terms and the fact that the added value to be generated by the new investment will take time to reach the point enabling deduction of the taxes paid on account of the investment.

Although the law as written permits the delivery of investment goods under the general delivery provisions, a special provision has been put in place. Article 3, paragraph (d) of the law describes delivery "in the event that economic values subject to amortization are manufactured or built for use in operations" as "the initiation of use of these values or the entry of these values under assets as provided by the Taxation Basic Law." This provision is subject to two main interpretations.

First, and according to the interpretation which in my opinion conforms to the intent of the law, the intent of the law is that buildings not obtained through the offices of a third party, but built inside the business and with business resources or machinery and equipment manufactured likewise are to be taxed. In this case, since there would be a question of added value generated, it must not be excluded from the VAT. On the other hand, in cases involving the acquisition of investment goods outside of these special circumstances (construction or manufacture by contract, direct purchase, etc.), each delivery is to be taxed under the general delivery provisions and remain subject to no further taxation. In fact, the relevant communique contains the statement: "If economic values subject to amortization are built and manufactured by the business itself and acquired according to delivery provisions, the Value Added Tax category applicable to these values is the value which constitutes the equivalent of the delivery procedure." On the other hand, a different meaning is introduced by the same communique for the "entry under assets" procedure, specifying that entry under assets will mean "inclusion in inventory." In my opinion, the law puts the interpretation of delivery in a strict and narrow sense here.

The second interpretation approaches the problem in this way: "Entry under assets or initiation of use" as it appears in the law means that all of the values that constitute a separate economic entity reach a functional state and begin to be used. Therefore, even economic values acquired by contract are manufactured or built for use in the business. For this reason, the main factor engendering VAT application in investments is the initiation of use of that economic unit. In that case, the category is based on cost as determined under the Taxation Basic Law and, therefore, investment-period interest and exchange rate differences must enter into the computation of cost. Considering that the important part of the investment total in large investments that take a long time to complete is the investment-period interest and exchange rate differences, obviously the extra tax burden engendered as the result of this approach can reach dimensions that may affect the feasibility of the investment.

In my opinion, this second interpretation is contrary to the intent of the provision of the law. It would be well to clarify the matter to remove doubts that may arise in important investment decisions.

In fact, the idea of postponing the VAT was introduced later for investment goods that would be imported under incentive investments for the purpose of reducing the negative impact of the VAT upon investments. According to that mechanism, in cases in which the investment is completed on time and in the manner planned, the investor will actually bear no VAT burden for investment goods he imports.

8349

CS0: 3554/67

ENERGY

GREECE

ENERGY CONSUMPTION RISES; NO PURCHASES ENVISIONED

Athens I KATHIMERINI in Greek 16 Jan 85 p 7

[Excerpts] The DEI [Public Power Corporation] estimates that there will be no difficulties in 1985 for meeting the needs in electric power thanks to the serviceability of the system's units despite the bad weather conditions in the last 6 months of 1984 and the damage to two units (Agios Dimitrios No 1 and Ptolemais No 4) as well as the cutoff of our supply from Yugoslavia.

The above was announced yesterday by Prof D. Papamandellos, DEI director, as well as by DEI officials who discussed DEI developments and activities over the past 3 years, i.e. 1982-1984.

It was also affirmed that we will not make any electric power purchases in 1985 if the DEI hydroelectric plants have average amounts of water supply this year.

It was also mentioned that in 1984 overall power demands were 24,069 gigawatts and showed an increase of 5.7 percent compared to 1983. Power demands were met by 19.4 percent through petroleum supplied plants, 58.1 percent by lignite supplied plants, 11.9 percent by hydroelectric plants and 10.6 percent from electric power purchases from abroad. Thus, the covering of the energy balance in 1984 was derived from domestic sources by 70 percent and from imports by 30 percent. The corresponding figures for 1983 were approximately the same, i.e. 70.4 percent from domestic sources and 29.6 percent from imports.

As for the other DEI sectors of activity during 1982-1984, the following information was provided during yesterday's press conference:

- A total of 660 communities and housing units with 15,101 inhabitants were provided with electricity and 415,000 new connections made, while the overall number of customers has now surpassed 5 million.
- During 1983 and 1984, 11 submarine connections were made (500 million drachma expenditure) providing electricity to various islands.
- Production of lignite quarries increased compared to 1981, i.e. by 12.4 percent in 1983 and 17 percent in 1984.

- Productivity showed an increase despite the establishment of the 40-hour week and the limitation of overtime to half (from 4.5 million in 1981 to 2 million in 1984).
- The development of alternate forms of energy was promoted, especially geothermy, through the construction of the first geothermal 2 megawatt plant that will be set up in Milos, etc.
- DEI investments during the 3-year period amounted to 180 billion drachmas. Priority to these investments were given to Greek constructors, as well as to technology transfer and to the increase in added value to our country (Hellinization of construction).

5671

CSO: 3521/148

ENERGY

GREECE

ENERGY SAVINGS FINANCED THROUGH EEC ASSISTANCE

Athens I KATHIMERINI in Greek 19 Jan 85 p 7

/Excerpt/ According to an announcement yesterday by the EEC committee office in Athens, the European Community will provide financing in the amount of 100 million ENM /European Monetary Units/ for the 1985 Energy Savings Program.

The program provides for the implementation of plans dealing with alternate energy sources, energy savings, substitutes for hydrocarbons, as well as the implementation of pilot projects for the liquefaction and gasification of solid fuels.

Specifically, plans dealing with alternate energy sources will provide for the utilization of every possible source of energy with the exception of nuclear energy. Energy savings plans will present a significant improvement in the yield of existing energy sources being utilized. With regard to substitutes for hydrocarbons, plans will be financed to use alternate energy without, however, necessitating an increase in primary energy.

Also to be offered financing assistance will be those plans of industrial plants that offer technical and financial viability and also offer transition to industrial and commercial use of technology with the least danger.

These plans included the following sectors:

Energy savings, transportation, energy industry, use of electric power and heating, solar energy, biomass and utilization of refuse for energy, geothermal energy, hydroelectric energy, wind-powered energy, use of solid fuels and liquefaction and gasification of solid fuels.

Each plan must come up to the following conditions:

- It must either refer to the establishment of installations that would permit the use of alternate sources of energy or energy savings or the substitution of hydrocarbons in large amounts or else it must refer to the implementation of pilot industrial installations or to the demonstration of liquefaction and gasification of solid fuels.

- It must utilize innovative methods, processing or products or a new way of implementing already known methods, processing or products for which the research and development stage has already been completed or it may encourage the establishment of other installations of the same type.
- It must present good prospects for industrial and commercial viability based on preparatory studies and research.
- It must not have financing difficulties due to significant technical and financial dangers up to the point where the plan might not be implemented without public or community financial assistance.
- Financial assistance to the plans that will be approved can amount to 49 percent of the outstanding cost of the plan (total of national and community aid).

5671

CSO: 3521/148

ENERGY

GREECE

BRIEFS

SEARCH FOR ENERGY SOURCES--Search for energy sources by IGME [Institute for Geological and Mineral Research] --lignite, peat, geothermy and radioactive ores-- as well as for chromite, lead, zinc, etc. is to be intensified. As Minister of Energy and Natural Resources L. Veryvakis announced yesterday when he visited the IGME office, expenditures amounting to 110 million drachmas are anticipated for 1985 for the search for solid fuels in 32 regions of the country. A sum of 90 million drachmas will be made available for geothermy research in various parts of the country. Also, a sum of 80 million drachmas will be provided for the search for radioactive ores. The minister said the primary goal is finding uranium deposits in new regions of the country and an increase in production of deposits that have already been discovered in the Parenestion region. The operation on an experimental basis of a semi-industrial unit for processing of uranium ore has already begun there. Mr Veryvakis also announced that the uranium unit of the "Dimokritos" Nuclear Center will be transferred to IGME so that research in the field of radioactive ores will be unified. Mr K. Papavasileiou, IGME director general, announced that IGME has located new lignite deposits amounting to 1,100 million tons (a 21 percent increase in lignite deposits compared to 1981). [Excerpts] [Athens I KATHIMERINI in Greek 19 Jan 85 p 7] 5671

CSO: 3521/148

ENERGY

TURKEY

KEBAN REVENUE BONDS PUT ON PUBLIC SALE

Istanbul CUMHURIYET in Turkish 7 Jan 85 p 9

[Text] ECONOMIC SERVICE -- The Keban Dam Revenue Sharing Bonds are going on sale under as much a pall of uncertainty as the [Bosporus] Bridge bonds did. The use of round figures, such as "50 percent average annual net profit," instead of precise figures as regards the bond yields again indicates that the sale is depending on "the confidence of the citizenry."

Keban Dam Revenue Sharing Bonds go on sale today at Is Bank branches. The bonds, representing a total of 40 billion liras, will be offered for 15 days. There are two series: 3-year A bonds and 5-year B bonds. The offer in both series consists of coupons of which there are 100,000 in a 50,000-lira denomination, 70,000 in a 100,000-lira denomination, 10,000 in a 500,000-lira denomination and 3,000 in a 1 million-lira denomination. Holders of A series bonds will be partners for 3 years at 11.5 percent of the dam's annual revenues and holders of B series bonds will be partners for 5 years at 10.5 percent of annual revenues. The dam's revenue-sharing bonds will be written to bearer and may be traded freely. Yields will be totally tax free and one person may purchase a maximum of 10 million liras in the bonds.

The matter of the revenue to be applied to the Keban bonds, however, remains totally uncertain. Yields on the bonds will increase steadily in future years, the average annual net eventually becoming around 50 percent, officials report.

Keban Dam bonds, unlike the bridge bonds, were also offered for sale abroad. Foreign demand for the bonds is reportedly rather high.

The dam bonds are expected to revive state-private sector competition to capture savings. Reports of a new Treasury bond issue of 100 billion liras in January indicate that this competition is going to heat up considerably.

The annual average 50-percent yield on the Keban bonds, the lack of any present prospect of a reduction in bank deposit interest rates and the fact that the Treasury will continue issuing super high-interest bonds are all considered clues to the future of inflation. This is all being taken as a sign of a continued expectation of inflation.

8349

CSO: 3554/67

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15 Feb 1985